

1 Basis of preparation

The accounts have been prepared under historical cost convention and in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants (“HKSA”).

In the current year, the Group adopted Statement of Standard Accounting Practice (“SSAP”) 12 (revised) “Income Taxes” issued by the HKSA which is effective for accounting periods commencing on or after 1st January 2003. The changes to the Group’s accounting policies and the effect of adopting the above revised standard are set out below.

2 Principal accounting policies

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December.

Subsidiaries are those entities in which the Group has the power to govern their financial and operating policies so that the Group obtains benefits from these activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group’s share of its net assets together with any goodwill or capital reserve which was not previously charged or recognised in the consolidated profit and loss account.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

In the Company’s balance sheet the investments in subsidiaries are stated at cost less any accumulated impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(b) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group’s share of the results of associated companies for the year, and the consolidated balance sheet includes the Group’s share of the net assets of the associated companies.

(c) Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group’s share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group’s share of the net assets of the jointly controlled entities.

2 Principal accounting policies (cont'd)

(d) Goodwill/negative goodwill

Goodwill represents the excess of the cost of an acquisition over the Group's share of the fair value of the net assets of the acquired subsidiary/associated company/jointly controlled entity at the date of acquisition.

Negative goodwill represents the excess of the Group's share of the fair value of the net assets acquired over the cost of acquisition.

Goodwill/negative goodwill on acquisition occurring on or after 1st January 2001 is amortised using the straight-line method over the maximum period of 20 years. Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount.

Impairment arising on goodwill on acquisitions that occurred prior to 1st January 2001 which was previously written off against reserves is accounted for in the profit and loss account.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of or, for pre 1st January 2001 acquisitions, the related goodwill written off against reserves to the extent it has not previously been realised in the profit and loss account.

Previously, goodwill/negative goodwill on acquisition of subsidiary/associated company/jointly controlled entity engaged in the operation of toll highways or bridges occurring on or after 1st January 2001 is amortised on the basis of a sinking fund calculation over the period for which the Group is granted the rights to operate the highways or bridges. The adoption of straight-line amortisation on goodwill/negative goodwill in the year ended 31st December 2003 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

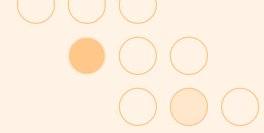
The change in accounting policy results in a reduction of profit for the years ended 31st December 2001 and 2002 by HK\$1,263,000 and HK\$1,579,000 respectively and the opening retained earnings at 1st January 2003 by HK\$2,842,000.

(e) Interests in toll highways and bridges

Interests in toll highways and bridges comprise tangible infrastructures and intangible operating rights. Depreciation of tangible infrastructure is calculated to write off their costs on a units-of-usage basis based on the traffic volume for a particular period over the projected total traffic volume throughout the joint venture periods. The Group reviews regularly the projected total traffic volume throughout the joint venture period of the respective tangible infrastructures, and if it is considered appropriate, independent professional traffic studies will be obtained. Appropriate adjustment will be made should there be a material change. Amortisation of intangible operating rights is provided on a straight-line basis over periods of 20-30 years in which the operating rights are held.

Previously, interests in toll highways and bridges are amortised using the sinking fund method. The adoption of units-of-usage based depreciation and straight-line amortisation on tangible infrastructures and intangible operating rights respectively in the year ended 31st December 2003 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

The current policy is adopted as it is considered more appropriate to reflect the performance of the Group in line with industry practice. The change in accounting policy results in a reduction of profit for the years ended 31st December 2001 and 2002 of HK\$16,576,000 and HK\$15,281,000 respectively, and opening retained earnings at 1st January 2003 of HK\$31,857,000.



2 Principal accounting policies (cont'd)

(e) Interests in toll highways and bridges (cont'd)

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that interests in toll highways and bridges are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

(f) Fixed assets

(i) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs, including related borrowing costs, of bringing the asset to its present working condition and location for its intended use.

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account.

(ii) Amortisation of leasehold land

Amortisation of leasehold land is calculated to write off its costs over the unexpired period of the lease on a straight-line basis.

(iii) Depreciation of leasehold buildings

Leasehold buildings are depreciated over the unexpired period of the lease on a straight-line basis or over their estimated useful lives to the Group whichever is shorter. The principal annual rate used for this purpose is 4 per cent per annum.

(iv) Depreciation of other fixed assets

Other fixed assets are depreciated at rates sufficient to write off their cost over their estimated useful lives to the Group on a straight-line basis. The principal annual rates used for this purpose are ranging from 10 per cent to 33 per cent per annum.

(v) Gain or loss on disposal of fixed assets

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

(vi) Cost of restoring and improving fixed assets

Major costs incurred in restoring fixed assets to their normal working condition are charged to the profit and loss account. Improvements are capitalised and depreciated over their expected useful lives to the Group.

(g) Other investments

Other investments held for long term are stated at cost less accumulated impairment losses. The results of other investments are accounted for on the basis of dividends received and receivable.

2 Principal accounting policies (cont'd)

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts.

(i) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associated companies and a jointly controlled entity, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

In prior years, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

The change in accounting policy results in an increase in profit for the years ended 31st December 2001 and 2002 of HK\$1,474,000 and HK\$3,259,000 respectively, and opening retained earnings at 1st January 2003 of HK\$4,733,000.

(j) Revenue recognition

- (i) Toll revenue, net of revenue tax, is recognised on a receipt basis.
- (ii) Dividend income is recognised when the right to receive payment is established.
- (iii) Interest income is recognised on a time proportion basis, taken into account the principal amounts outstanding and the interest rates applicable.

(k) Borrowing costs

Borrowing costs are capitalised when funds are borrowed to finance the construction of highways and bridges up to the commencement of economic operations of the toll highways and bridges.

All other borrowing costs are charged to the profit and loss account in the year in which they are incurred.

(l) Retirement benefit costs

The Group's contributions to the defined contribution retirement scheme are expensed as incurred and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of the scheme are held separately from those of the Group in an independently administered fund.

2 Principal accounting policies (cont'd)

(m) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheet of subsidiaries, associated companies and a jointly controlled entity expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss account is translated at an average rate. Exchange differences are dealt with as a movement in reserves.

(n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

3 Turnover and revenues

The Group is principally engaged in the development, operation and management of toll highways and bridges in the Mainland of China ("China"). Revenues recognised during the year are as follows:

	Group	
	2003 HK\$'000	2002 HK\$'000
Turnover		
Toll revenue	405,567	355,638
Other revenue		
Interest income	4,303	3,259
Others	621	318
	4,924	3,577
Total revenues	410,491	359,215

No analysis of the Group's turnover and contribution to operating profit by activity and geographic area is presented as they were principally derived from the operations of the Group's toll projects in China.

Business segment information is not required as the revenue, results and assets of the toll projects represent more than 90 per cent of the total revenue, results and assets of the Group respectively.

4 Operating profit

The operating profit is stated after crediting and charging the following:

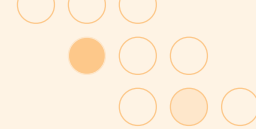
	Group	
	2003	As restated
	HK\$'000	2002
		HK\$'000
<u>Crediting</u>		
Gains on partial disposal of a jointly controlled entity	—	6,240
Net exchange gain	—	1,887
	<u> </u>	<u> </u>
<u>Charging</u>		
Depreciation of fixed assets	3,069	2,953
Amortisation/depreciation of interests in toll highways and bridges	98,163	95,456
Amortisation of goodwill (included in administrative expenses)	9,981	6,005
Auditors' remuneration	700	709
Net exchange loss	2,132	—
Staff costs (including directors' emoluments)		
Wages and salaries	20,180	16,420
Social security costs	305	274
Staff welfare	461	981
Pension costs - defined contribution plan	534	479
	<u> </u>	<u> </u>

5 Finance costs

	Group	
	2003	2002
	HK\$'000	HK\$'000
Interest on bank loans	22,092	33,694
Interest on amount due to a minority shareholder	2,176	2,754
	<u> </u>	<u> </u>
Total borrowing costs incurred	<u>24,268</u>	<u>36,448</u>

6 Taxation

- (a) No provision for Hong Kong profits tax has been made in the accounts as the Group has no income assessable to Hong Kong profits tax during the year (2002: nil).
- (b) Overseas taxation is provided on the profits of the Group's subsidiaries and an associated company in China in accordance with the Income Tax Law of China for Enterprises with Foreign Investment and Foreign Enterprises ("China Tax Law"). Under the China Tax Law, the Group's subsidiaries, associated companies and a jointly controlled entity in China are entitled to an income tax holiday for two to five years from its first profit making year followed by a 50 per cent reduction in income tax for the next three to five years. The applicable income tax rate is 18 per cent. Certain of the Group's subsidiaries, associated companies and a jointly controlled entity in China are qualified for the aforesaid tax holiday.



6 Taxation (cont'd)

(c) The amount of taxation charged to the consolidated profit and loss account represents:

	Group	
	2003 HK\$'000	As restated 2002 HK\$'000
Overseas taxation	33,970	23,965
Deferred taxation credit (note 23)	(1,494)	(1,930)
	32,476	22,035
Share of taxation attributable to an associated company	4,998	3,514
Share of deferred taxation attributable to associated companies	17,782	4,768
Share of deferred taxation attributable to a jointly controlled entity	5,877	1,619
	61,133	31,936

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the principal applicable tax rate as follows:

	2003 HK\$'000	2002 HK\$'000
Profit before taxation	327,119	214,425
Calculated at a tax rate of 18 per cent (2002: 18 per cent)	58,881	38,597
Effect of tax concession under tax holiday	(263)	(8,950)
Expenses not deductible for taxation purposes	2,515	2,289
	61,133	31,936

7 Profit attributable to shareholders

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HK\$118,418,000 (2002: HK\$402,336,000).

8 Dividends

	Company	
	2003 HK\$'000	2002 HK\$'000
Interim, paid, of HK\$0.04 (2002: HK\$0.03) per share	44,206	31,487
Final, proposed, of HK\$0.045 (2002: HK\$0.03) per share	50,144	31,503 ¹
	94,350	62,990

At a meeting held on 14th April 2004, the Directors proposed a final dividend of HK\$0.045 per share. This proposed dividend is not reflected as a dividend payable in these accounts, but is reflected as an appropriation of retained earnings for the year ended 31st December 2003.

¹ The final dividend paid for the year ended 31st December 2002 was HK\$32,739,000 (note 20). The additional amount of approximately HK\$1,236,000 was a result of the exercise of share options prior to approval at the annual general meeting.

9 Earnings per share

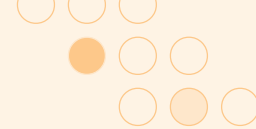
The calculation of basic and fully diluted earnings per share is based on the Group's profit attributable to shareholders of HK\$223,822,000 (2002: HK\$142,498,000 (restated)).

The basic earnings per share is based on the weighted average number of 1,081,515,574 (2002: 1,046,246,862) shares in issue during the year. The fully diluted earnings per share is based on 1,099,276,085 (2002: 1,071,337,017) shares which is the weighted average number of shares in issue during the year plus the weighted average of 17,760,511 (2002: 25,090,155) shares deemed to be issued at no consideration if all outstanding share options had been exercised.

10 Retirement benefit costs

The Group operates a defined contribution scheme as defined in the Occupational Retirement Schemes Ordinance. Contributions to the scheme by the employer and employees are calculated as 5 per cent to 8 per cent and 5 per cent respectively of the employees' basic salaries.

The Group's contributions to the retirement scheme for Hong Kong employees are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. There are no forfeited contributions for both years presented.



11 Directors' and senior management's emoluments

- (a) The aggregate amounts of the emoluments payable to the directors of the Company during the year are as follows:

	Group	
	2003	2002
	HK\$'000	HK\$'000
Fees	152	152
Other emoluments:		
Basic salaries, housing allowances, other allowances and benefits in kind	8,300	8,200
Discretionary bonuses	3,480	200
	11,932	8,552

Directors' fees disclosed above included HK\$114,000 (2002: HK\$114,000) paid to independent non-executive directors. There are no inducement fees for both years presented.

- (b) The emoluments of the Directors fell within the following bands:

Emolument bands	Number of Directors	
	2003	2002
HK\$		
Nil - 1,000,000	16¹	18 ¹
1,000,001 - 1,500,000	2	—

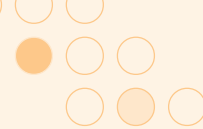
¹ Included three (2002: three) independent non-executive directors.

No Directors waived emoluments in respect of the years ended 31st December 2003 and 2002.

- (c) Certain Directors exercised their options to subscribe for 19,698,000 (2002: 2,016,000) ordinary shares in the Company and 3,150,000 (2002: 840,000) ordinary shares in Guangzhou Investment Company Limited ("GZI"), the Company's holding company, during the year.
- (d) The five individuals whose emoluments were the highest in the Group for the years ended 31st December 2003 and 2002 are also directors whose emoluments are reflected in the analysis presented above.

12 Goodwill

	Goodwill HK\$'000	Group Negative goodwill HK\$'000	Total HK\$'000
At 1st January 2003, as previously reported	54,103	(9,491)	44,612
Effect of changes in accounting policy on amortisation	(2,129)	164	(1,965)
	<hr/>	<hr/>	<hr/>
At 1st January 2003, as restated	51,974	(9,327)	42,647
Amortisation charge	(3,550)	370	(3,180)
	<hr/>	<hr/>	<hr/>
At 31st December 2003	<u>48,424</u>	<u>(8,957)</u>	<u>39,467</u>
At 31st December 2003			
Cost	58,541	(9,697)	48,844
Accumulated amortisation	(10,117)	740	(9,377)
	<hr/>	<hr/>	<hr/>
Net book amount	<u>48,424</u>	<u>(8,957)</u>	<u>39,467</u>
At 31st December 2002			
Cost	58,541	(9,697)	48,844
Accumulated amortisation	(6,567)	370	(6,197)
	<hr/>	<hr/>	<hr/>
Net book amount	<u>51,974</u>	<u>(9,327)</u>	<u>42,647</u>



13 Interests in toll highways and bridges

	Intangible operating rights	Group Tangible infrastructure	Total
	HK\$'000	HK\$'000	HK\$'000
At 1st January 2003, as previously reported	1,857,817	359,380	2,217,197
Effect on changes in accounting policy on amortisation	(41,020)	—	(41,020)
At 1st January 2003, as restated	1,816,797	359,380	2,176,177
Exchange differences	8,722	1,688	10,410
Additions	11,223	—	11,223
Amortisation/depreciation charge	(85,878)	(12,285)	(98,163)
At 31st December 2003	<u>1,750,864</u>	<u>348,783</u>	<u>2,099,647</u>
At 31st December 2003			
Cost	2,143,106	403,755	2,546,861
Accumulated amortisation/depreciation	(392,242)	(54,972)	(447,214)
Net book amount	<u>1,750,864</u>	<u>348,783</u>	<u>2,099,647</u>
At 31st December 2002			
Cost	2,121,922	401,869	2,523,791
Accumulated amortisation/depreciation	(305,125)	(42,489)	(347,614)
Net book amount	<u>1,816,797</u>	<u>359,380</u>	<u>2,176,177</u>

The intangible operating rights and tangible infrastructure are located in China.

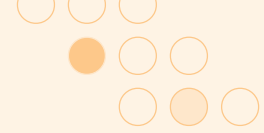
14 Fixed assets

(a) Group

	Leasehold land and buildings HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost				
At 1st January 2003	31,317	8,406	4,778	44,501
Exchange differences	—	33	19	52
Additions	—	8,377	1,104	9,481
Disposals	—	(1,278)	(773)	(2,051)
At 31st December 2003	<u>31,317</u>	<u>15,538</u>	<u>5,128</u>	<u>51,983</u>
Accumulated depreciation				
At 1st January 2003	6,249	4,967	3,114	14,330
Exchange differences	—	19	11	30
Charge for the year	1,253	1,244	572	3,069
Disposals	—	(1,278)	(773)	(2,051)
At 31st December 2003	<u>7,502</u>	<u>4,952</u>	<u>2,924</u>	<u>15,378</u>
Net book value				
At 31st December 2003	<u>23,815</u>	<u>10,586</u>	<u>2,204</u>	<u>36,605</u>
At 31st December 2002	<u>25,068</u>	<u>3,439</u>	<u>1,664</u>	<u>30,171</u>

The Group's interests in leasehold land and buildings at their net book values are analysed as follows:

	2003 HK\$'000	2002 HK\$'000
In Hong Kong, held on:		
Leases of over 50 years	6,521	6,882
Leases of between 10 to 50 years	17,294	18,186
	<u>23,815</u>	<u>25,068</u>



14 Fixed assets (cont'd)

(b) Company

	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost			
At 1st January 2003	1,286	1,727	3,013
Exchange differences	—	4	4
Additions	47	—	47
Disposals	(92)	—	(92)
At 31st December 2003	1,241	1,731	2,972
Accumulated depreciation			
At 1st January 2003	777	1,654	2,431
Exchange differences	1	3	4
Charge for the year	85	39	124
Disposals	(92)	—	(92)
At 31st December 2003	771	1,696	2,467
Net book value			
At 31st December 2003	470	35	505
At 31st December 2002	509	73	582

15 Investments

(a) Investment in subsidiaries

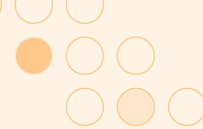
	Company	
	2003	2002
	HK\$'000	HK\$'000
Unlisted shares, at cost	1,848,497	1,848,497
Less: accumulated impairment losses	(584,549)	(584,549)
	1,263,948	1,263,948
Amounts due from subsidiaries (note (i))	2,609,277	2,655,077
Amounts due to subsidiaries (note (i))	(1,027,960)	(1,164,061)
	2,845,265	2,754,964

- (i) The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed terms of repayments.
- (ii) Details of the principal subsidiaries of the Company as at 31st December 2003 are set out on pages 61 to 63.

(b) Investment in a jointly controlled entity

	Group	
	2003	2002
	HK\$'000	HK\$'000
Share of net assets	325,907	352,427
Goodwill on acquisition of a jointly controlled entity less amortisation	4,714	4,928
	330,621	357,355

Details of the Group's interest in a jointly controlled entity are set out on page 64. None of the participating parties has unilateral control over the economic activity of the joint venture.



15 Investments (cont'd)

(b) Investment in a jointly controlled entity (cont'd)

The results of the jointly controlled entity for the year ended 31st December 2003 are prepared in accordance with the accounting regulations of the People's Republic of China. Adjustments have been made to the accounts as considered appropriate by the Directors in order to comply with accounting principles generally accepted in Hong Kong. Extract of the adjusted financial information of Guangzhou Northern Second Ring Expressway Co., Ltd. for the year ended 31st December 2003 is as follows:

	2003 HK\$'000	2002 HK\$'000
Operating results		
Turnover	97,813	58,812
Loss before taxation	(44,390)	(75,612)
Financial position		
Long-term assets	2,314,881	2,132,766
Current assets	49,979	84,079
Current liabilities	(137,800)	(21,429)
Long-term liabilities	(1,518,566)	(1,433,334)
Shareholders' funds	708,494	762,082

(c) Investment in associated companies

	Group	
	2003 HK\$'000	2002 HK\$'000
Share of net assets	606,283	569,184
Loans receivable from associated companies	872,606	897,974
Goodwill on acquisition of an associated company less amortisation	164,670	171,257
	1,643,559	1,638,415

Except for loans in aggregate amount of HK\$653,816,000 (2002:HK\$679,184,000) which bear interests at the prevailing Hong Kong dollars prime rate of 5.0 per cent per annum; US dollars prime rate of 4.0 per cent per annum and lending rates of financial institutions in China of 5.31 per cent and 5.76 per cent per annum, the balances are unsecured, interest free and have no fixed repayment terms.

Details of the Group's associated companies are set out on page 64.

15 Investments (cont'd)

(c) Investment in associated companies (cont'd)

The results of the associated companies for the year ended 31st December 2003 are prepared in accordance with the accounting regulations of the People's Republic of China. Adjustments have been made to the accounts as considered appropriate by the Directors in order to comply with accounting principles generally accepted in Hong Kong. Extract of the adjusted financial information of the major associated companies, namely Guangdong Humen Bridge Co., Ltd. and Guangdong Qinglian Highway Development Co., Ltd. for the year ended 31st December 2003 is as follows:

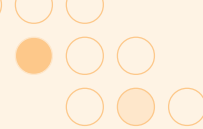
	Guangdong Humen Bridge Co., Ltd.		Guangdong Qinglian Highway Development Co., Ltd.	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Operating results				
Turnover	<u>449,252</u>	<u>372,719</u>	<u>167,942</u>	<u>256,890</u>
Profit before taxation	<u>350,164</u>	<u>286,661</u>	<u>12,612</u>	<u>70,711</u>
Financial position				
Long-term assets	2,575,962	2,634,362	3,050,954	3,097,468
Current assets	53,383	33,507	140,223	213,793
Current liabilities	(33,747)	(30,592)	(71,424)	(111,614)
Long-term liabilities	<u>(2,326,781)</u>	<u>(2,364,063)</u>	<u>(1,768,128)</u>	<u>(1,673,495)</u>
Shareholders' funds	<u>268,817</u>	<u>273,214</u>	<u>1,351,625</u>	<u>1,526,152</u>

(d) Other investments

	Group	
	2003 HK\$'000	2002 HK\$'000
Unlisted investments, at cost	176,743	167,393
Less: accumulated impairment losses	<u>(33,620)</u>	<u>(33,462)</u>
	<u>143,123</u>	<u>133,931</u>

16 Bank balances and cash

Included in the bank balances and cash of the Group and the Company are deposits denominated in Renminbi and placed with banks in China of approximately HK\$175,389,000 (2002: HK\$186,027,000) and HK\$29,622,000 (2002: HK\$3,318,000) respectively. The conversion of these Renminbi denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the Chinese government.



17 Amounts due to minority shareholders of subsidiaries and holding companies

Except for an amount due to a minority shareholder of HK\$53,719,000 (2002: HK\$53,468,000) which bears interest at 4 per cent per annum, the balances are unsecured, interest free and have no fixed repayment terms.

18 Short-term bank loans

At 31st December 2003, the short-term bank loans of HK\$178,403,000 (2002: HK\$271,028,000) of the Group are unsecured.

19 Share capital

	Company	
	2003 HK\$'000	2002 HK\$'000
Authorised		
2,000,000,000 ordinary shares of HK\$0.1 each	<u>200,000</u>	<u>200,000</u>
Issued and fully paid		
1,114,233,530 (2002:1,049,785,530) ordinary shares of HK\$0.1 each	<u>111,423</u>	<u>104,979</u>

During the year, 64,448,000 ordinary shares of HK\$0.1 each were issued upon exercise of share options, resulting in net proceeds of HK\$56,290,000.

Pursuant to a share option scheme (the "Share Option Scheme") adopted on 3rd January 1997, the Directors may, at their discretion, grant directors and employees of the Group to take up options to subscribe for shares in the Company. The exercise price is determined by the Board and being equal to the higher of (a) the nominal value of the share; and (b) not less than 80 per cent of the average closing prices of the shares as stated in The Stock Exchange of Hong Kong Limited (the "Stock Exchange")'s daily quotation sheets for the five business days immediately preceding the date of offer of an option. The cash consideration to be paid for each grant of option is HK\$10, with full payment of the exercise price to be made upon exercise of an option.

Particulars and movements of the share options during the year are as follows:

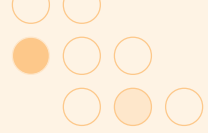
Date of grant	Exercise price per share HK\$	Balance outstanding as at 1st January 2003	Options lapsed during the year	Options exercised during the year	Balance outstanding as at 31st December 2003
6th August 1997	2.4080	23,500,000	(23,500,000)	—	—
4th September 1998	0.7632	23,418,000	—	(23,418,000)	—
22nd December 1999	0.9984	30,696,000	—	(30,696,000)	—
7th April 2000	0.7520	11,864,000	—	(10,334,000)	1,530,000
		<u>89,478,000</u>	<u>(23,500,000)</u>	<u>(64,448,000)</u>	<u>1,530,000</u>

19 Share capital (cont'd)

The aforesaid share options are exercisable at any time within the period from the first anniversary date of the grant to the business day preceding the sixth anniversary date of the grant, of which a maximum of 30 per cent, 60 per cent and 100 per cent thereof are exercisable from the first, second and third anniversaries of the date of grant respectively. Exercise in full of all outstanding share options would result in the issue of 1,530,000 ordinary shares with proceeds of HK\$1,151,000.

On 25th June 2002, the shareholders of the Company approved the resolutions relating to the termination of the Share Option Scheme and the adoption of a new share option scheme (the "2002 Share Option Scheme"). Upon termination of the Share Option Scheme, no further share options will be granted thereunder but all the outstanding share options granted prior to such termination continue to be valid and exercisable in accordance therewith, and only those provisions of the Share Option Scheme which are required to give effect to the outstanding share options continue to remain in force for such purpose. The 2002 Share Option Scheme complies with the amendments to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange.

Pursuant to the 2002 Share Option Scheme, the Board may grant to any person being an employee, officer, director, agent, consultant or representative of GZI, Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu"), the Company or any of their respective subsidiaries options to subscribe for shares in the Company. The maximum number of shares which may be issued upon exercise of all options to be granted under the 2002 Share Option Scheme is 10 per cent of the number of shares in issue as at 25th June 2002. The exercise price is determined by the Board and must be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of the shares. The cash consideration to be paid for each grant of option is HK\$10, with full payment of the exercise price to be made upon exercise of an option. As at 31st December 2003, no such options have been granted to any person since its adoption.



20 Reserves

Group

	Share premium HK\$'000	Reserve arising from consolidation (note (a)) HK\$'000	Exchange fluctuation reserve HK\$'000	Statutory reserves (note (b)) HK\$'000	Retained earnings (note (c)) HK\$'000	Total HK\$'000
At 1st January 2002, as previously reported	853,018	1,705,497	4,910	25,098	331,348	2,919,871
Effect of changes in accounting policies						
- amortisation (notes 2(d) and 2(e))	—	—	—	—	(17,839)	(17,839)
- deferred taxation (note 2(i))	—	—	—	—	1,474	1,474
At 1st January 2002, as restated	853,018	1,705,497	4,910	25,098	314,983	2,903,506
Premium on issue of shares	4,182	—	—	—	—	4,182
Profit for the year, as restated	—	—	—	—	142,498	142,498
2001 Final dividend	—	—	—	—	(26,152)	(26,152)
2002 Interim dividend (note 8)	—	—	—	—	(31,487)	(31,487)
Transfer to statutory reserves	—	—	—	3,951	(3,951)	—
Transfer to retained earnings	(330,370)	—	—	—	330,370	—
At 31st December 2002, as restated	526,830	1,705,497	4,910	29,049	726,261	2,992,547
Representing:						
Retained earnings					694,758	
2002 Final dividend proposed					31,503	
					726,261	

20 Reserves (cont'd)

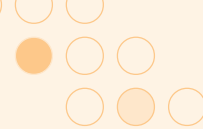
Group (cont'd)

	Share premium HK\$'000	Reserve arising from consolidation (note (a)) HK\$'000	Exchange fluctuation reserve HK\$'000	Statutory reserves (note (b)) HK\$'000	Retained earnings (note (c)) HK\$'000	Total HK\$'000
At 1st January 2003, as previously reported	526,830	1,705,497	4,910	29,049	756,227	3,022,513
Effect of changes in accounting policies						
- amortisation (notes 2(d) and 2(e))	—	—	—	—	(34,699)	(34,699)
- deferred taxation (note 2(i))	—	—	—	—	4,733	4,733
At 1st January 2003, as restated	526,830	1,705,497	4,910	29,049	726,261	2,992,547
Premium on issue of shares	49,846	—	—	—	—	49,846
Profit for the year	—	—	—	—	223,822	223,822
2002 Final dividend (note 8)	—	—	—	—	(32,739)	(32,739)
2003 Interim dividend (note 8)	—	—	—	—	(44,206)	(44,206)
Exchange differences	—	—	9,713	—	—	9,713
At 31st December 2003	<u>576,676</u>	<u>1,705,497</u>	<u>14,623</u>	<u>29,049</u>	<u>873,138</u>	<u>3,198,983</u>

Representing:

Retained earnings	822,994
2003 Final dividend proposed	50,144
	<u>873,138</u>

- (a) Reserve arising from consolidation represents the difference between the nominal value of the shares/registered capital of the subsidiaries acquired and the nominal value of the shares issued by Kiu Fung Limited, a subsidiary of the Company, as consideration therefor on 30th November 1996.
- (b) Statutory reserves represent enterprise expansion and general reserve funds set up by the operating subsidiaries, associated companies and a jointly controlled entity in China. According to the Foreign Investment Enterprises Accounting Standards in China, upon approval by the board, the general reserve funds may be used for making up losses and increasing capital while the enterprise expansion fund may be used for increasing capital. Included in the Group's statutory reserves is HK\$1,536,000 (2002: HK\$1,536,000) attributable to an associated company.
- (c) Included in the Group's retained profits are retained profits of HK\$806,564,000 (2002: HK\$647,164,000) and an accumulated loss of HK\$63,938,000 (2002: HK\$37,642,000) attributable to associated companies and a jointly controlled entity respectively.



20 Reserves (cont'd)

Company

	Share premium HK\$'000	Contributed surplus HK\$'000	(Accumulated losses) /retained earnings HK\$'000	Total HK\$'000
At 1st January 2002	853,018	1,773,497	(330,370)	2,296,145
Premium on issue of shares	4,182	—	—	4,182
Profit for the year	—	—	402,336	402,336
2001 Final dividend	—	—	(26,152)	(26,152)
2002 Interim dividend (note 8)	—	—	(31,487)	(31,487)
Transfer to retained earnings	(330,370)	—	330,370	—
	<u>526,830</u>	<u>1,773,497</u>	<u>344,697</u>	<u>2,645,024</u>
At 31st December 2002				
Representing:				
Retained earnings			313,194	
2002 Final dividend proposed			31,503	
			<u>344,697</u>	
At 1st January 2003	526,830	1,773,497	344,697	2,645,024
Premium on issue of shares	49,846	—	—	49,846
Profit for the year	—	—	118,418	118,418
2002 Final dividend (note 8)	—	—	(32,739)	(32,739)
2003 Interim dividend (note 8)	—	—	(44,206)	(44,206)
	<u>576,676</u>	<u>1,773,497</u>	<u>386,170</u>	<u>2,736,343</u>
At 31st December 2003				
Representing:				
Retained earnings			336,026	
2003 Final dividend proposed			50,144	
			<u>386,170</u>	

The contributed surplus represents the difference between the nominal value of the shares issued by the Company in exchange for all the issued ordinary shares of Kiu Fung Limited and the value of net assets of the underlying subsidiaries acquired by the Company as at 3rd January 1997. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus is distributable to the shareholders. At Group level, the contributed surplus is classified as components of reserves of the underlying subsidiaries.

21 Minority interests

The balance included loans of HK\$403,486,000 (2002: HK\$403,486,000) which are unsecured, interest free and not repayable within one year except for an aggregate amount of HK\$282,926,000 (2002: HK\$282,926,000) which bears interest at the prevailing Hong Kong dollars prime rate of 5.0 per cent per annum and lending rates of financial institutions in China of 5.76 per cent per annum.

22 Long-term liabilities

	Group	
	2003 HK\$'000	2002 HK\$'000
Bank loans (note (a))		
Secured	—	136,000
Unsecured	167,136	186,916
Loans from minority shareholders of a subsidiary (note (b))	36,377	37,591
Less: current portion of long-term liabilities	(11,268)	(214,541)
	192,245	145,966

- (a) At 31st December 2002, the Group's bank loan was secured by the Group's interest in charged account of toll road project in China and was wholly repayable within five years. The said secured bank loan was fully repaid in August 2003.
- (b) The loans from minority shareholders are unsecured, interest free and not repayable within one year.
- (c) At 31st December 2003 and 2002, the Group's bank loans were repayable as follows:

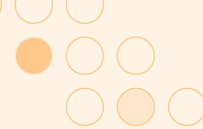
	Bank loans (secured)		Bank loans (unsecured)	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
Within one year	—	27,625	11,268	186,916
In the second year	—	36,125	5,634	—
In the third to fifth year	—	72,250	150,234	—
	—	136,000	167,136	186,916

23 Deferred taxation

Deferred taxation are calculated in full on temporary differences under the liability method using a principal tax rate of 18 per cent (2002: 18 per cent).

The movement on the deferred tax liabilities account is as follows:

	Group	
	2003 HK\$'000	2002 HK\$'000
At 1st January, as previously reported	14,629	13,300
Effect of changes in accounting policy on deferred taxation	(4,733)	(1,474)
At 1st January, as restated	9,896	11,826
Transfer from profit and loss account (note 6(c))	(1,494)	(1,930)
At 31st December	8,402	9,896
Provided for in respect of accelerated depreciation allowances	8,402	9,896



24 Notes to the consolidated cash flow statement

(a) Reconciliation of operating profit to net cash inflow generated from operations

	2003 HK\$'000	As restated 2002 HK\$'000
Operating profit	189,626	136,150
Interest income	(4,303)	(3,259)
Amortisation of goodwill	9,981	6,005
Amortisation/depreciation of interests in toll highways and bridges	98,163	95,456
Depreciation of fixed assets	3,069	2,953
Gain on partial disposal of a jointly controlled entity	—	(6,240)
Provision for impairment of other investments	—	33,462
Exchange differences	2,132	(1,886)
Operating profit before working capital changes	298,668	262,641
(Increase)/decrease in other receivables, deposits and prepayments	(7,710)	6,261
Increase/(decrease) in other payables and accrued charges including due to minority shareholders and holding companies	33,320	(3,992)
Net cash inflow generated from operations	324,278	264,910

(b) Analysis of changes in financing during the year

	Share capital including premium		Bank loans		Minority interests		Loans from minority shareholders		Amount due to a minority shareholder	
	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000	2003 HK\$'000	2002 HK\$'000
At 1st January, as previously reported	631,809	957,476	593,944	888,561	760,275	930,052	37,591	39,380	53,468	92,523
Effect on changes in accounting policies	—	—	—	—	(9,163)	(4,736)	—	—	—	—
At 1st January, as restated	631,809	957,476	593,944	888,561	751,112	925,316	37,591	39,380	53,468	92,523
Exchange differences	—	—	2,149	—	3,231	—	176	—	251	—
Issue of shares	56,290	4,703	—	—	—	—	—	—	—	—
Transfer to retained earnings (note 20)	—	(330,370)	—	—	—	—	—	—	—	—
Minority interests in share of profits (restated)	—	—	—	—	42,164	39,991	—	—	—	—
Dividends paid to minority shareholders	—	—	—	—	(37,309)	(53)	—	—	—	—
Purchase of minority interests	—	—	—	—	—	(214,987)	—	—	—	—
New borrowings	—	—	9,390	130,840	—	501	—	—	—	—
Repayments	—	—	(259,944)	(425,457)	(46,948)	—	(1,734)	(1,445)	—	(39,055)
Others	—	—	—	—	(344)	344	344	(344)	—	—
At 31st December	688,099	631,809	345,539	593,944	711,906	751,112	36,377	37,591	53,719	53,468

25 Contingent liabilities

At 31st December 2003 and 2002, the Group has pledged the income derived from its 24.3 per cent effective interest in an associated company to a bank in favour of a joint venture partner in this associated company (the "Joint Venture Partner"), in respect of the repayment of a bank loan by the Joint Venture Partner amounting to Rmb500,000,000 (approximately HK\$467,000,000) and interest thereon (collectively referred to as "Relevant Loan").

A counter-indemnity has been provided by the Joint Venture Partner to the Group against all liabilities arising from such pledge. In addition, Yue Xiu, the ultimate holding company of the Company, has issued an indemnity to the Group under which any shortfall between the counter-indemnity given by the Joint Venture Partner and the Relevant Loan to the bank will be satisfied/paid by Yue Xiu if the counter-indemnity given by the Joint Venture Partner to the Group is insufficient to cover the Relevant Loan.

26 Related party transactions

In addition to those disclosed in note 25, the Group had carried out in the normal course of business, the following material transactions with its related parties during the year:

	2003 HK\$'000	2002 HK\$'000
Management fee paid to the holding company (note (a))	1,300	1,300
Fixed cost toll highways management fee paid and payable to a minority shareholder (note (b))	<u>62,223</u>	<u>52,284</u>

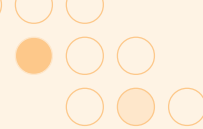
- (a) Pursuant to service agreements entered into on 6th December 1996 and 31st May 2001, inter alia, between GZI, the holding company, the Company and Kiu Fung Limited, the GZI group provides certain services to the Group in connection with the Group's day-to-day operations, in return for a fee based on the actual cost of providing the services plus 10 per cent.
- (b) Fixed cost services agreements were entered into between Guangzhou Highways Development Company ("GHDC"), a minority shareholder of subsidiaries, and certain subsidiaries engaging in the operation of toll highways in China, whereby GHDC carries out the day-to-day routine operational and maintenance services of the Guangshan Highway, Guangshen Highway, Guangcong Highway Section I and II, Provincial Highway 1909 and Guanghua Highway respectively including the collection of toll charges and repairs and maintenance in return for a service fee at the fixed rate of 18 per cent of the gross aggregate toll revenue of each of the toll highways.

27 Ultimate holding company

The Directors regard Yue Xiu, a company incorporated in Hong Kong, as being the ultimate holding company.

28 Approval of account

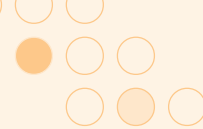
The accounts were approved by the Board on 14th April 2004.



As at 31st December 2003, the Company held shares/interest in the following principal subsidiaries, a jointly controlled entity and associated companies:

	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Percentage of attributable interest held by the Company 2003 and 2002		Principal activities
			Direct	Indirect	
Principal subsidiaries					
¹ Asian East Worldwide Limited	British Virgin Islands	50,000 Ordinary shares of US\$1 each	—	100	Investment holding in Guangzhou Northring Freeway Co., Ltd.
¹ Bentfield Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangzhou Northern Second Ring Expressway Co., Limited
¹ Fortune Success Group Ltd.	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangzhou Tailong Highways Development Company Limited
¹ Guangzhou Nanxin Highways Development Company Limited	People's Republic of China, limited liability company	Rmb141,463,000	—	80	Development and management of Guangshen Highway linking Guangzhou and Shenzhen
¹ Guangzhou Qiaowei Highways Development Company Limited	People's Republic of China, limited liability company	Rmb12,326,000	—	100	Investment holding in Guangzhou Suiqiao Development Company Limited
¹ Guangzhou Suiqiao Development Company Limited	People's Republic of China, limited liability company	Rmb1,000,000	—	100	Investment holding in Guangdong Humen Bridge Co., Ltd.
¹ Guangzhou Taihe Highways Development Company Limited	People's Republic of China, limited liability company	Rmb155,980,000	—	80	Development and management of Guangcong Highway Section I linking Guangzhou and Conghua
¹ Guangzhou Tailong Highways Development Company Limited	People's Republic of China, limited liability company	Rmb116,667,000	—	51	Development and management of Guangcong Highway Section II linking Guangzhou and Conghua, and Provincial Highway 1909 linking Conghua and Longtan

	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Percentage of attributable interest held by the Company 2003 and 2002		Principal activities
			Direct	Indirect	
Principal subsidiaries (cont'd)					
¹ Guangzhou Weian Highways Development Company Limited	People's Republic of China, limited liability company	Rmb175,750,000	—	80	Development and management of Guangshan Highway linking Guangzhou and Shantou
¹ Guangzhou Xinguang Highways Development Company Limited	People's Republic of China, limited liability company	Rmb143,333,000	—	55	Development and management of Guanghua Highway linking Guangzhou and Huadu
¹ Guangzhou Yue Peng Information Ltd.	People's Republic of China, limited liability company	Rmb160,000,000	—	100	Investment holding
¹ Hunan Yue Tung Highway and Bridge Development Company Limited	People's Republic of China, limited liability company	Rmb21,000,000	—	75	Development and management of Xiang Jiang Bridge II in Hunan Province
¹ Ickleton Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangzhou Taihe Highways Development Company Limited
¹ Kam Cheong Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding
¹ Kinleader Co., Ltd.	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding
¹ Kiu Fung Limited	British Virgin Islands	2 Ordinary shares of HK\$1 each	100	—	Investment holding
¹ Onwell Enterprises Limited	British Virgin Islands	100 Ordinary shares of US\$1 each	—	100	Investment holding in Guangdong Qinglian Highway Development Co., Ltd.
¹ Pioneer Business Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangdong Humen Bridge Co., Ltd.
¹ Profit Optima Ltd.	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding



	Place of incorporation/ establishment and operation and kind of legal entity	Issued and fully paid up share capital/registered capital	Percentage of attributable interest held by the Company 2003 and 2002		Principal activities
			Direct	Indirect	
Principal subsidiaries (cont'd)					
¹ Proterall Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangzhou Qiaowei Highways Development Company Limited
¹ Shaanxi Jinxiu Transport Co., Limited	People's Republic of China, limited liability company	Rmb100,000,000	—	100	Development and management of Xian-Lintong Expressway in Shaanxi Province
Smart Top Enterprises Limited	Hong Kong	2 Ordinary shares of HK\$1 each	—	100	Property holding
¹ Sparco Development Limited	British Virgin Islands	100 Ordinary shares of US\$1 each	—	100	Investment holding in Shaanxi Jinxiu Transport Co., Limited
¹ Super Praise Ltd.	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangdong Shantou Bay Bridge Co., Ltd.
¹ Superfield Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangzhou Nanxin Highways Development Company Limited
¹ Teckstar Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangzhou Weian Highways Development Company Limited
¹ Top Global Holdings Ltd.	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding in Guangzhou Xinguang Highways Development Company Limited
¹ Unionwin Investment Limited	British Virgin Islands	1 Ordinary share of US\$1 each	—	100	Investment holding
¹ Yan Tung Investment Limited	British Virgin Islands	10,000 Ordinary shares of US\$1 each	—	83.3	Investment holding in Hunan Yue Tung Highway and Bridge Development Company Limited

Group Structure

	Place of establishment and operation	Issued and fully paid up share capital/registered capital	Percentage of voting power	Percentage of attributable interest held by the Company 2003 and 2002		Principal activities
				Direct	Indirect	
Jointly controlled entity						
¹ Guangzhou Northern Second Ring Expressway Co., Limited	People's Republic of China	Rmb900,000,000	50	—	46	Development and management of Guangzhou Northern Second Ring Expressway in Guangzhou
Associated companies						
¹ Guangdong Humen Bridge Co., Ltd.	People's Republic of China	Rmb273,900,000	—	—	25	Development and management of Humen Bridge in Humen
¹ Guangdong Qinglian Highway Development Co., Ltd.	People's Republic of China	Rmb1,200,000,000	—	—	23.6	Development and management of National Highway 107 linking Qingyuan and Lianzhou
¹ Guangdong Shantou Bay Bridge Co., Ltd.	People's Republic of China	Rmb75,000,000	—	—	30	Development and management of Shantou Bay Bridge in Shantou
¹ Guangzhou Northring Freeway Co., Ltd.	People's Republic of China	US\$19,255,000	—	—	24.3	Development and management of Guangzhou City Northern Ring Road

¹ Statutory audits of these entities were not performed by PricewaterhouseCoopers, Hong Kong.