

The directors have pleasure in presenting their annual report and the audited financial statements for the year ended 31 December 2004.

## 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 PRC and details of which are set out in notes 15 and 16 to the financial statements.

## 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.

## Results and Appropriations

The results of the Group for the year ended 31 December 2004 are set out in the consolidated income statement on page 46.

An interim dividend of HK16 cents per share amounting to HK\$93,779,000 was paid to the shareholders on 8 September 2004.

The directors recommend the payment of a final dividend of HK18 cents per share to the shareholders on the register of members on 13 May 2005 amounting to HK\$105,554,000.

## Share Capital and Share Options

Details of the movements during the year in the share capital and share options of the Company are set out in notes 24 and 25 to the financial statements respectively.

## Reserves

Movements during the year in the reserves of the Group and the Company are set out in note 26 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 14 to the financial statements.

## Issue of Guaranteed Notes

In July 2004, the Company through its wholly-owned subsidiary entered into the subscription agreement with The Hongkong and Shanghai Banking Corporation Limited, the lead manager, to issue US\$200,000,000 (approximately HK\$1,560,000,000) in aggregate principal amount of 6.25% guaranteed notes (the "Notes") which will be matured in July 2011 to institutional investors. The Company would unconditionally and irrevocably guarantee the due and punctual payment of all amounts of any time becoming due and payable in respect of the Notes. The Notes are listed on the Singapore Exchange Securities Trading Limited. The net proceeds of US\$199,000,000 (approximately HK\$1,552,200,000) received from the subsidiary would be on-lent to the Company and applied by the Company for the purposes of investments in toll roads or other transportation related projects, refinancing of existing indebtedness and as general working capital.

## 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)
Zhang Yijun	(appointed on 28 December 2004)
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)
James Herbert Stewart	(resigned on 30 September 2004)
Chiang Wen Chee, Wendy	(ceased to act as alternate to James Herbert Stewart on 30 September 2004)
Liu Zixian	(appointed on 3 February 2004 and resigned on 28 December 2004)

### Independent non-executive directors:

Chan Hing Chiu, Vincent  
Chow Shiu Kee, Stephen  
Lau Sai Yung (appointed on 9 August 2004)

## Directors and Directors' Service Contracts (Continued)

In accordance with Bye-laws 86 and 87 of the Company's Bye-laws, Chan Kam Hung, Zhang Yijun, Chan Hing Chiu, Vincent, Chow Shiu Kee, Stephen and Lau Sai Yung 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.

The Company received confirmation of independence from Chan Hing Chiu, Vincent and Chow Shiu Kee, Stephen, being the Independent Non-executive Directors in respect of the year ended 31 December 2004, pursuant to Rule 3.13 of the Listing Rules. The Company also received confirmation of independence from Lau Sai Yung, who has been appointed as an Independent Non-executive Director with effect from 9 August 2004, pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

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.

## The Board

The Board comprises ten members. Three of them are Independent Non-executive Directors and are of professionals with backgrounds in engineering, legal and accounting fields. All the Board members have extensive experience and knowledge in corporate management making significant contributions to the Company's strategic decisions. The diverse background of the Board members ensures that they fully represent the interests of all the shareholders.

The Board holds four regular meetings per year and additional meetings will be arranged if and when required. During the year, there were six board meetings held by the Company and the attendance record of the Board members are as follows:

	<b>Attendance (%)</b>
<b>Executive Directors:</b>	
Zen Wei Pao, William	100%
Ko Yuk Bing	100%
Chan Kam Hung	100%
Zen Wei Peu, Derek	66%
Fong Shiu Leung, Keter	100%
<b>Non-executive Directors:</b>	
Hu Aimin	75% (four meetings during his term)
Zhang Yijun	N/A
Brian Souter	0% (two meetings during his term)
Ross Thomas Martin	50% (two meetings during his term)
James Herbert Stewart	75% (four meetings during his term)
Chiang Wen Chee, Wendy (alternate to James Herbert Stewart)	25% (four meetings during her term)
Liu Zixian	50% (four meetings during his term)
<b>Independent Non-executive Directors:</b>	
Chan Hing Chiu, Vincent	100%
Chow Shiu Kee, Stephen	100%
Lau Sai Yung	100% (three meetings during his term)

## Disclosure of Interests

### Directors' Interests and Short Positions

As at 31 December 2004, the interests and short positions of the Directors and chief executive 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 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	5,000,000 ( <i>note 2</i> )	—	0.85
Ko Yuk Bing	Personal	550,000 ( <i>note 1</i> )	—	0.09
		4,600,000 ( <i>note 2</i> )	—	0.78
Chan Kam Hung	Personal	100,000 ( <i>note 1</i> )	—	0.02
		3,100,000 ( <i>note 2</i> )	—	0.53
Zen Wei Peu, Derek	Personal	966,000 ( <i>note 1</i> )	—	0.16
		1,950,000 ( <i>note 2</i> )	—	0.33
Fong Shiu Leung, Keter	Personal	2,000,000 ( <i>note 2</i> )	—	0.34
Hu Aimin	Personal	250,000 ( <i>note 2</i> )	—	0.04
Chan Hing Chiu, Vincent	Personal	500,000 ( <i>note 2</i> )	—	0.09
Chow Shiu Kee, Stephen	Personal	160,000 ( <i>note 1</i> )	—	0.03
		500,000 ( <i>note 2</i> )	—	0.09

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 executive are included in this category, the particulars of which are set out in (I)(b) below.

## Disclosure of Interests (Continued)

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

#### (I) The Company (Continued)

##### (b) Interests in underlying shares through equity derivatives

Name of Director	Date of grant	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
	26 August 2004	26 August 2004 to 25 August 2009	5.70	2,500,000
Ko Yuk Bing	17 October 2003	17 October 2003 to 16 October 2008	5.15	2,300,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	2,300,000
Chan Kam Hung	17 October 2003	17 October 2003 to 16 October 2008	5.15	1,300,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	1,800,000
Zen Wei Peu, Derek	17 October 2003	17 October 2003 to 16 October 2008	5.15	650,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	1,300,000
Fong Shiu Leung	17 October 2003	17 October 2003 to 16 October 2008	5.15	1,000,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	1,000,000
Hu Aimin	26 August 2004	26 August 2004 to 25 August 2009	5.70	250,000
Chan Hing Chiu, Vincent	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	250,000
Chow Shiu Kee, Stephen	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	250,000

## Disclosure of Interests (Continued)

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

#### (II) Details of share options

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 Listing Rules. Particulars of the New Share Option Scheme are set out in note 25 to the financial statements.

Renewal of the 10% share option scheme mandate limit under the New Share Option Scheme was approved by the shareholders of the Company on 12 May 2004. Therefore, the Company can grant share options to subscribe for up to 58,467,256 shares of the Company under the New Share Option Scheme. On 26 August 2004, the Company granted share options to certain eligible participants to subscribe for 14,090,000 shares of the Company. Thus, the total number of shares available for issue under the New Share Option Scheme is 44,377,256 representing approximately 7.57% of the Company's 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 2004 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 New Share Option Scheme is as follows:

Name	Date of grant	Exercisable period	Exercise price	Number of share options				
				Balance at 1.1.2004	Granted during the year#	Exercised during the year**	Cancelled during the year	Balance at 31.12.2004
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
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	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
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	2,300,000	—	—	2,300,000
Chan Kam Hung	17 October 2003	17 October 2003 to 16 October 2008	5.15	1,500,000	—	(200,000)	—	1,300,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	1,800,000	—	—	1,800,000
Zen Wei Peu, Derek	17 October 2003	17 October 2003 to 16 October 2008	5.15	1,300,000	—	(650,000)	—	650,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	1,300,000	—	—	1,300,000

## Disclosure of Interests (Continued)

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

#### (II) Details of share options (Continued)

Name	Date of grant	Exercisable period	Exercise price	Number of share options				Balance at 31.12.2004
				Balance at 1.1.2004	Granted during the year#	Exercised during the year**	Cancelled during the year	
			HK\$					
Fong Shiu Leung, Keter	17 October 2003	17 October 2003 to 16 October 2008	5.15	1,000,000	—	—	—	1,000,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	1,000,000	—	—	1,000,000
Hu Aimin	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	250,000	—	—	250,000
Chan Hing Chiu, Vincent	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000	—	—	—	250,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	250,000	—	—	250,000
Chow Shiu Kee, Stephen	17 October 2003	17 October 2003 to 16 October 2008	5.15	250,000	—	—	—	250,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	250,000	—	—	250,000
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
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	250,000	—	—	250,000
Liu Zixian	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	250,000	—	—	250,000
				<u>9,850,000</u>	<u>10,150,000</u>	<u>(1,350,000)</u>	<u>—</u>	<u>18,650,000</u>
<b>Others</b>								
Employees	17 October 2003	17 October 2003 to 16 October 2008	5.15	4,690,000	—	(636,000)	—	4,054,000
	26 August 2004	26 August 2004 to 25 August 2009	5.70	—	3,940,000	—	—	3,940,000
				<u>4,690,000</u>	<u>3,940,000</u>	<u>(636,000)</u>	<u>—</u>	<u>7,994,000</u>
				<u>14,540,000</u>	<u>14,090,000</u>	<u>(1,986,000)</u>	<u>—</u>	<u>26,644,000</u>

# The closing price of the Company's shares immediately before the date of grant was HK\$5.55.

\*\* The weighted average closing price of the Company's shares immediately before the date on which the share options were exercised was HK\$5.739.



## Disclosure of Interests (Continued)

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

Save as disclosed above, none of the Directors or chief executive or their associates has any interests and short positions in any shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register to be kept by the Company 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 was 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 New Share Option Scheme 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 2004, so far as is known to any Director or chief executive of the Company, the following persons (other than Directors or chief executive 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 (note 1)	Short position	
Wai Kee Holdings Limited (note 2)	Corporate	266,386,328	—	45.45
Wai Kee (Zens) Holding Limited (note 3)	Corporate	266,386,328	—	45.45
Groove Trading Limited (note 4)	Personal/Beneficiary	66,000,000	—	11.26
Wai Kee China Investments (BVI) Company Limited (note 4)	Corporate	197,668,328	—	33.72
Wai Kee China Investments Company Limited (note 5)	Corporate	197,668,328	—	33.72
ZWP Investments Limited (note 6)	Personal/Beneficiary	197,668,328	—	33.72
Shenzhen Investment Limited (note 7)	Corporate	146,069,142	—	24.92*
Hover Limited (note 8)	Personal/Beneficiary	146,069,142	—	24.92*
Cheah Cheng Hye (note 9)	Personal	450,000		0.08
	Family	230,000		0.04
	Corporate	69,615,852	—	11.87*
		<u>70,295,852</u>		<u>11.99</u>
Value Partners Limited	Investment Manager	70,101,852	—	11.96*

## 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).
2. Wai Kee Holdings Limited is deemed to be interested in the shares through its interests in (i) its wholly owned subsidiaries, namely Wai Kee (Zens) Holding Limited, Groove Trading Limited, Wai Kee China Investments (BVI) Company Limited, Wai Kee China Investments Company Limited, ZWP Investments Limited and Top Horizon Holdings Limited respectively; and (ii) its subsidiaries, namely Build King Holdings Limited, Top Tactic Holdings Limited, Amazing Reward Group Limited, Absolute Achieve Holdings Limited and Smart Start Investments Limited, which beneficially held 2,718,000 shares, respectively.
3. Wai Kee (Zens) Holding Limited is a direct wholly owned subsidiary of Wai Kee Holdings Limited.
4. Groove Trading Limited and Wai Kee China Investments (BVI) Company Limited are direct wholly owned subsidiaries of Wai Kee (Zens) Holding Limited.
5. Wai Kee China Investments Company Limited is a direct wholly owned subsidiary of Wai Kee China Investments (BVI) Company Limited.
6. ZWP Investments Limited is a direct wholly owned subsidiary of Wai Kee China Investments Company Limited.
7. Shenzhen Investment Limited is deemed to be interested in the shares through its interests in its wholly owned subsidiary, namely Hover Limited.
8. Hover Limited is a direct wholly owned subsidiary of Shenzhen Investment Limited.
9. Cheah Cheng Hye is deemed to be interested in the shares through his 31.82% interest in Value Partners Limited.
- \* As at 31 December 2004, the issued share capital of the Company is 586,122,566 shares. Accordingly, the percentage has been adjusted.

Save as disclosed above, no other person (other than a Director or the chief executive of the Company) has any interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

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

In July 2004, a subsidiary of the Company redeemed in whole its US dollar denominated guaranteed notes due in 2007. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

## 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.

## Sufficiency of Public Float

According to the information that is available to the Company and within the knowledge of the Directors of the Company, the Company has maintained the prescribed public float under the Listing Rules.

## Audit Committee

Pursuant to the requirements of the Listing Rules, the Company had on 30 July 1998 established an Audit Committee with reference to "A Guide for the Formation of an Audit Committee" issued by The Hong Kong Institute of Certified Public Accountants. The Audit Committee currently comprising three Independent Non-executive Directors 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.

During the year, the Audit Committee held two meetings and the attendance record of the Audit Committee members are as follows:

<b>Audit Committee members</b>	<b>Attendance (%)</b>
Chan Hing Chiu, Vincent	100%
Chow Shiu Kee, Stephen	100%
James Herbert Stewart	50% (50% by his alternate)
Lau Sai Yung	N/A ( <i>Note</i> )

*Note:* The two Audit Committee meetings were held before the appointment of Mr. Lau Sai Yung as an Audit Committee member on 9 August 2004.

## Remuneration Committee

The Remuneration Committee which was established in early 2005, comprises three Independent Non-executive Directors and the Chairman of the Board. The Remuneration Committee meets at least twice annually and additional meetings shall be held as the work of the Remuneration Committee demands. The Remuneration Committee is responsible for making recommendations to the Board on remuneration policy and structure for all remuneration of Executive Directors (except the Chairman of the Board) and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration.

## Code of Best Practice

The Company has complied throughout the year ended 31 December 2004 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules, save that the Non-executive Directors were not appointed for a specific term but are subject to retirement by rotation.

## Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2004.

## Continuing Disclosure of the Listing Rules

In compliance with continuing disclosure obligations of the Listing Rules, the following information is disclosed:

1. Pursuant to rules 13.13 and 13.16 of the Listing Rules:
  - (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 period, the Group has not provided guarantees in respect of bank facilities utilised by the infrastructure joint ventures.
  - (c) The total amount of loans to the infrastructure joint ventures is HK\$3.41 billion which in aggregate exceeds 8% of the Group's adjusted total assets of HK\$6.9 billion (being the Group's total assets as at 31 December 2004 adjusted for the dividend proposed for the year ended 31 December 2004 by the Company) as at 31 December 2004 and exceeds 8% of the Company's market capitalization of HK\$3.18 billion as at 31 December 2004. 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.

## Continuing Disclosure of 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 Liuan 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	—
Changzhou Wujin Road King Changcao Highway Development Co., Ltd.	60.24%	83,946	—
Foshan Guangsan Special-Use Automobile Highway Co., Ltd.	35%	258,377	—
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%	124,704	—
Pingdingshan Road King Xuchang-Nanyang Highway (Xiangcheng Section) Development Co., Ltd.	50%	68,352	—

## Continuing Disclosure of 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
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%	92,633	—
Shijiazhuang Luxin Road & Bridge Development Co., Ltd.	60%	52,028	—
Suzhou Road King Shanghai-Suzhou Airport Road Development Co., Ltd.	50%	120,874	—
		3,410,990	34,177

2. Pursuant to rule 13.18 of the Listing Rules:

The Group has a transferable term loan facility for the amount of HK\$350 million. The facility will mature in June 2007 and was early repaid in January 2005. 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.

## Continuing Disclosure of the Listing Rules (Continued)

3. Pursuant to rule 13.22 of the Listing Rules:

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 2004, is as follows:

<b>Balance sheet</b>	<b>2004</b>
	HK\$'000
Property, plant and equipment	9,080,357
Current assets	625,236
Current liabilities	(529,755)
Net current assets	95,481
Amounts due to joint venture partners	(2,929,154)
Net assets	6,246,684

Details of the Group's attributable interests in the infrastructure joint ventures are set out in note 16 to the financial statements.

4. Save as disclosed above, there is no other continuing disclosure required to be made by the Company pursuant to Chapter 13 of the Listing Rules.

## 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, 1 April 2005