



Mr. Hu You Lin
(Chairman)

On behalf of the Board of Directors (the "Board") of Yue Da Holdings Limited (the "Company"), I am pleased to present to the shareholders the results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2004.

BUSINESS PERFORMANCE

Turnover of the Group for the year ended 31st December, 2004 was RMB98,092,000, representing an increase of approximately 31% as compared with the corresponding period of last year. Audited profit attributable to shareholders was RMB13,805,000 and basic earnings per share was RMB6.9 cents, both representing an increase of approximately 19% as compared with the corresponding period of last year. The Board recommended the payment of a final dividend for the year ended 31st December, 2004 of Hong Kong currency 2 cents per share.

National Highway 204 — Xin Fu Section in Jiangsu Province and National Highway 106 — Wen An Section in Hebei Province have been operated by the Group, and are key trunk routes in their respective cities, located in Jiangsu Province and Hebei Province respectively, two of the most prosperous provinces of economic development. In 2004, the GDP of Jiangsu Province and Hebei Province achieved a growth of 14.9% and 12.9% respectively. The annual throughput of cargoes and passengers increased significantly for both provinces. Hebei province, in particular, recorded a growth rate of over 20%. With the impressive development of national economy and the transport and logistics industry, automobile ownership persistently increases, which in turn greatly enhanced the traffic flow on highways. During the year, the two highways of the Group attained a growth in traffic flow of over 18%. Coupled with the increase in number of large cargo vehicles on highways, the Group recorded a remarkable increase in toll revenue and profit attributable to shareholders for 2004 as compared with the corresponding period of the previous year.



COMPANY PROSPECTS

According to preliminary estimates, the annual GDP for 2004 amounted to RMB13,651.5 billion, representing an increase of 9.5% over the previous year on a comparable price basis. The annual throughput of cargo transportation of highways was 759.6 billion tonnes per kilometer, grown by 7.0% over the previous year; the annual throughput of passenger transportation was 876.5 billion people per kilometer, representing an increase of 13.9% over the previous year. As at the end of the year, there were 27,420,000 civil vehicles in the People's Republic of China ("PRC"), representing a growth of 15.0%. The growth in national economy and automobile ownership will certainly contribute to the increase in traffic flow. National Highways 106 and 204, being located in regions which are more economically-developed, will benefit from growths in both the economy and traffic volumes. However, the adjustments to the government's toll collection policy which imposes limitation on the toll fees of large vehicles pose uncertainties to the future growth of the Group's operating income.

The Group will continue to identify selectively toll road projects with development potential. In addition, the Group will, in line with market development, continue to search for infrastructure projects with high investment returns and stable operations, as well as to take active steps to expand its businesses into other infrastructure facilities and operation projects. The Group will leverage on its existing resources and persistently seek, in line with market development, infrastructure projects with value-added potential, such as power plant, coal mine and, other logistics-supporting infrastructure projects such as harbour and pier. Furthermore, by capitalizing on the full support from its parent company, Jiangsu Yue Da Group Company Limited and implementing prudent yet proactive business strategies, the Group will strive to enhance its competitiveness and endow the investors with better returns.



APPRECIATION

Finally, I would like to take this opportunity to express my gratitude to the Directors, the management and all staff for their unfailing contributions to the development of the Group. Likewise, I would like to express my appreciation to the shareholders for their support. The Group is fully committed to do its best to bring better returns to shareholders.

By order of the Board

Hu You Lin

Chairman

Hong Kong, 14th April, 2005