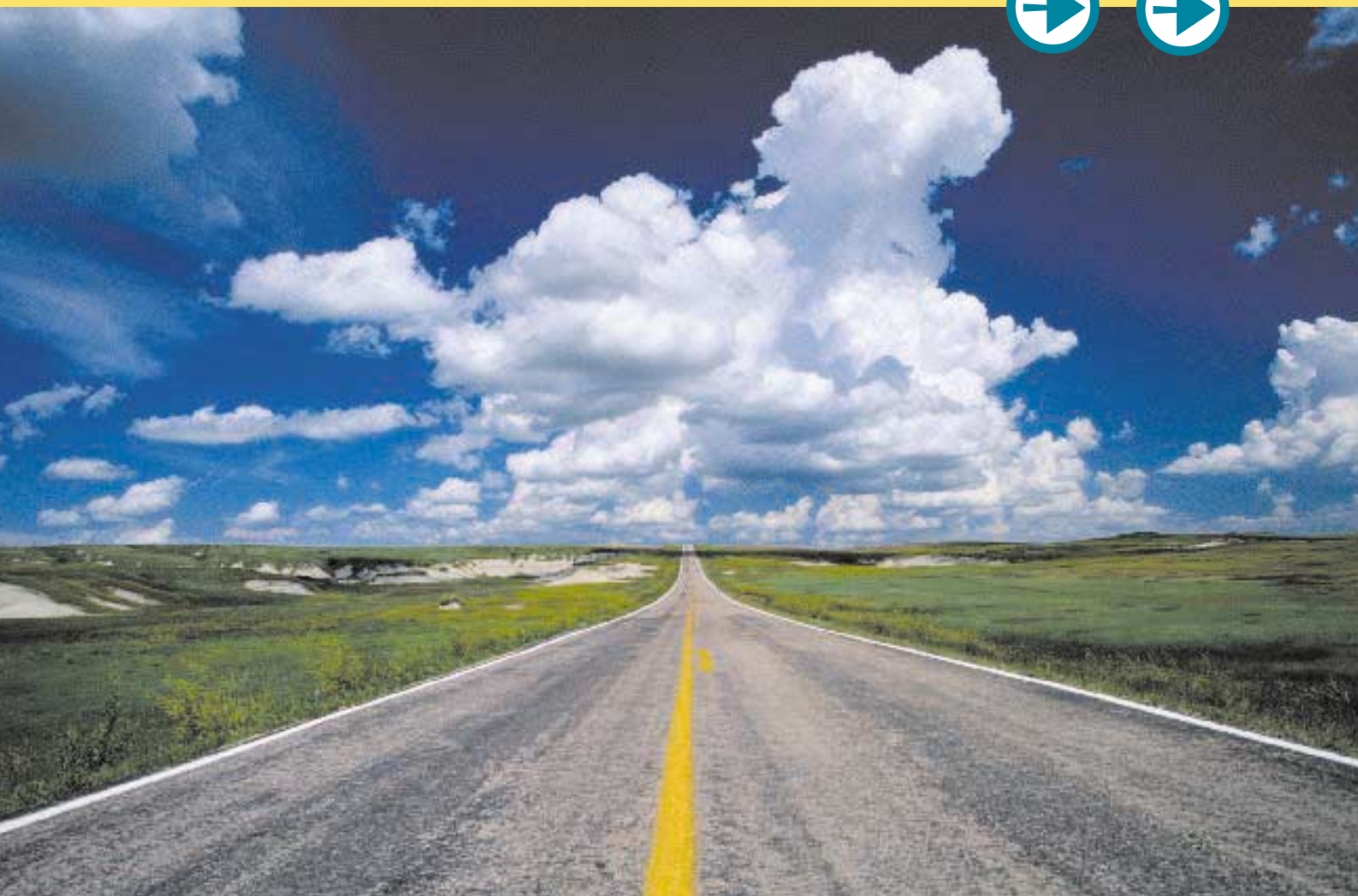


# CHAIRMAN'S STATEMENT

*Year 2001 is the start of a new century. For the Group, the year witnessed the fifth year of the listing of our H shares on HKEX and the first year of the listing of our A shares on SSE. Thanks to the concern and support of the shareholders and friends of the Company, the Company keeps forging ahead and can attain business goals successfully. In a word, the Group made a good beginning for the first year of the 21 century.*





## RESULTS AND DIVIDENDS

The Board of directors of the Company is pleased to announce that the Group has achieved satisfactory results in the fiscal year of 2001. Its turnover for the year amounted to RMB489,813,000, up 16.50% above that of 2000. Profit attributable to shareholders, prepared in accordance with generally accepted accounting principles in Hong Kong, amounted to RMB421,336,000, representing an increase of 16.05% over 2000, and earnings per share was RMB0.208, an increase of 15.56% over 2000. In accordance with PRC accounting principles, profit after taxation was RMB401,936,897, representing an increase of 18.49%.

The Board recommends a RMB0.10 per share year-end dividend for the fiscal year of 2001, subject to the approval of the shareholders at the 2001 Annual General Meeting to be held on 31 May, 2002.

## BUSINESS REVIEW

### Core business increasing steadily

In the year 2001, the Group's core business kept performing well and growing steadily. This is the fifth year the Group has recorded a sustained growth of more than 10% since its establishment, with turnover of the Group at RMB489 million, an increase of 16.5% over that of 2000. During this year, Yanba A

was completed and received the distinction of being named the highest scoring quality project in Guangdong Province. Its opening on 16 April, 2001 increased the number of the Group's toll roads in Shenzhen to six. Yanba B commenced construction in June, 2001, as scheduled. The earnings from Meiguan Expressway and Jihe Expressway have achieved remarkable growth. With toll revenue increasing month by month, these two expressways have become the main sources of the Group's growth.

### Financial strength enhanced

The financial position of the Group has always been sound and was further strengthened in this year. In December, 2001, the Company issued 165,000,000 A Shares in the PRC, at RMB3.66 per share, to raise necessary funds of RMB604,128,000 for the construction of Yanba B. This enhanced the Group's financial strength.

The successful issue of A Shares enabled the Group to be the sole company of Shenzhen that has accessed both the international capital market with the listing of H Shares on HKEX and the domestic capital market with the A Shares listing on SSE. It optimized the Group's shareholding structure and elevated the financial resources of the Group in the capital market.



## CHAIRMAN'S STATEMENT

### Corporate competitiveness further improved

Focusing on further promoting competitiveness and its ability to continuously expand business in the year of 2001, the Group strengthened its internal management by integrating its functional departments and streamlining the management, including setting up the Operation Management Center and the Project Management Department. On the other hand, the Group perfected its corporate governance through drafting and implementing *The Regulation for Shareholder's General Meeting*, *The Regulation of The Supervisory Committee*, *The Regulation of the Board of Directors* and *The Regulation of the General Manager*. In view of the fruitful work of The Audit Committee, the Group also established The Strategic Development & Investment Committee and The Human Resources & Remuneration Committee, which efficiently raised the Board's working efficiency and the decision-making accuracy.

### PROSPECTS

Facing the new challenges and the various difficulties, predicted and unpredicted which lie ahead, with the spirit of solidarity and enterprise, the management of the Group firmly believes that it can give a satisfactory report to our shareholders.

In the year of 2002, the Group will speed up the study of medium and long-term development strategies and formulate feasible development strategies on the basis of objective conditions. With its extensive experience in the investment, construction and management of toll roads and the

support of Shenzhen Municipal Government, the Group will fully utilize its concession rights to develop highways and expressways in Shenzhen and continue expanding business in other regions of the PRC, and develop other value-added and extended business that are in line with the future development strategy, so as to further increase its competitive ability and upgrade its management quality.

As a listed company, we realize that good corporate governance, standardized operation and continuous growth are the foundations on which a listed company must depend for its long-term existence and healthy development in the international capital market. In the future, we will conscientiously fulfill the duty of information disclosure under the supervision of both HKEX and SSE and, will strive to be one of the most respected and compliant listed companies.

### APPRECIATION

I, on behalf of the Board, would like to express my gratitude for the trust and support of all shareholders, to extend my thanks to the staff for their hard work in the past year, and to promise that we will, as always, adhere to the philosophy of the Company to maximize profits to our shareholders, and do our best to bring best returns for you all.

**Chen Chao**  
Chairman

Shenzhen, the PRC, 12 April 2002