

## Chairman's Statement



**Liu Jinxiang**  
*Chairman*

The Group's performance in 2001 was affected by lower traffic volume caused by the construction and maintenance of road networks around Guangzhou City for preparing the Ninth National Games and changes of traffic mix in certain remote regions of Guangdong Province. The management expects that these unfavourable factors are temporary in nature.

Although some recently completed road networks may continue to affect traffic of a few projects in 2002, as the Group has a diversified portfolio, some other toll road projects such as Humen Bridge, Xian Expressway and Guangcong Highway etc. are expected to achieve steady traffic volume growth in 2002.

The Group also re-organised its toll road portfolio in the year through disposing less promising projects, and increasing interests in existing projects with better returns.

In this challenging transitional period, the Group will adopt various measures including cost control to continue strengthening management. Longer term, the Group remains optimistic in the toll road business due to fast growing private car ownership, which is expected to speed up with China's accession to the World Trade Organisation. Guangzhou Municipality's role as the traffic hub of Guangdong Province is increasingly important in the future. The Group's strategy is to continue sourcing new projects with strong cash flow and growth potential in order to deliver satisfactory return to shareholders.

## Chairman's Statement

Lastly, I would like to thank our shareholders, directors and staff members for their support, hard work and dedication. Last year, Ms Cao Shuzhao and Mr He Yongxian retired and resigned from the Board. I would like to thank them for their contributions and welcome Mr Xie Shuwen, Mr Li Xinmin, Mr Chen Guangsong, Mr Du Liangying, Mr Du Xinrang and Mr Zhong Ming joining the Board.

**Liu Jinxiang**

*Chairman*

Hong Kong, 16th April 2002