



The performance of GZI Transport Limited in 2002 was affected by several temporary factors such as disposing Xinfeng and Dongyang Highways; traffic diversion by Guang Yuan Road East and the newly opened Guangzhou Northern Second Ring Expressway ("GNSR Expressway") incurring loss. These negative factors will all improve in 2003. Toll traffic volume growth in toll roads such as Guangshen and Guangshan Highways affected by diversion of traffic have rebounded substantially in the first three months of 2003. Shantou Bay Bridge acquired in mid 2002 will contribute full year profit in 2003. Loss of GNSR Expressway will also be narrowed due to rising toll traffic volume.

In 2002, cargo traffic and passenger traffic on highways of Guangdong Province grew by 11.8 per cent and 10.8 per cent respectively against the backdrop of 10.8 per cent GNP growth. Sales of passenger cars in China (including Guangdong Province) amounted to 1.13 million vehicles and increased significantly by 54 per cent compared with 2001. Taking advantage of the strong traffic growth in Guangdong and other provinces, the Group will selectively replenish and expand its toll road portfolio. The day to day toll collection work will be further strengthened by continue launching the Collecting a

Million Toll without Mistakes Campaign to upgrade staff quality. Costs and expenses will also be effectively controlled to deliver satisfactory returns to shareholders.

Lastly, I would like to thank our shareholders, directors and staff members for their support, hard work and dedication.

**Ou Bingchang**

*Chairman*

Hong Kong, 10th April 2003