

FINANCIAL HIGHLIGHTS

1. PREPARED IN ACCORDANCE WITH THE HONG KONG ACCOUNTING STANDARDS (UNAUDITED)

Results Highlights

(For the six months ended 30 June)

	2004 (RMB'000)	2003 (RMB'000) (Restated)	2003 Discounting gain on disposal of assets* (RMB'000) (Restated)
Turnover	218,610	207,357	207,357
Earnings before interest, taxation, depreciation & amortization	291,845	938,907	247,491
Profit before taxation	248,795	890,054	198,638
Profit attributable to shareholders	208,705	752,214	165,942
Earnings per share (RMB)	0.096	0.345	0.076

* The disposal of two Class 1 highways, NH 107/205, on 18 March 2003 generated an income amounting to RMB691,416,000. The relevant profit tax was RMB105,144,000, resulting in a profit attributable to shareholders of RMB586,272,000.

Assets Highlights

	As at 30 June 2004 (RMB'000)	As at 31 Dec 2003 (RMB'000)	Change (%)
Total assets	7,403,323	6,988,973	5.93
Total liabilities	1,476,186	856,937	72.26
Minority interests	50,696	49,967	1.46
Total net assets	5,876,441	6,082,069	-3.38
Net assets per share (RMB)	2.695	2.789	-3.38
Working capital	814,919	1,587,357	-48.66

Principal Financial Ratios

(For the six months ended 30 June)	2004	2003 (Restated)	Change
Operating profit margin	89.51%	81.13%*	8.38%
Net profit margin	95.47%	80.03%*	15.44%
Return on average equity	3.49%	13.22%	-9.73%
Interest cover	310.83	105.79	205.04

	As at 30 June 2004	As at 31 Dec 2003	Change
Current ratio	1.91	5.44	-3.53
Gearing ratio	25.12%	14.09%	11.03%

* For easier comparison and analysis, the calculation of operation profit margin and net profit margin has discounted the effects of profit generated from the disposal of NH107 and NH205.

2. FINANCIAL HIGHLIGHTS FOR THE PAST FIVE YEARS (RESTATED)

Results Highlights

(For the year ended 31 Dec)

	2003 (RMB'000)	2003 Discounting NH107/205* (RMB'000)	2002 (RMB'000)	2001 (RMB'000)	2000 (RMB'000)	1999 (RMB'000)
Turnover	421,531	421,531	524,291	489,813	420,455	342,069
Earnings before interest, taxation, depreciation & amortization	1,149,858	458,442	539,619	554,402	458,490	424,119
Profit before taxation	1,054,530	363,114	414,018	424,605	365,598	339,035
Profit attributable to shareholders	899,372	313,100	347,064	408,222	348,958	331,030
Earnings per share (RMB)	0.412	0.144	0.159	0.187	0.173	0.164
Dividends per share (RMB)	0.19	—	0.12	0.10	0.10	0.06

* The disposal of two Class 1 highways, NH 107/205, on 18 March 2003 generated an income amounting to RMB691,416,000. The relevant profit tax was RMB105,144,000, resulting in a profit attributable to shareholders of RMB586,272,000.

Assets Highlights

(As at 31 Dec)

	2003 (RMB'000)	2002 (RMB'000)	2001 (RMB'000)	2000 (RMB'000)	1999 (RMB'000)
Total assets	6,988,973	6,700,302	6,764,379	5,712,406	5,427,435
Total liabilities	856,937	1,204,739	1,399,678	1,158,209	1,118,382
Minority interests	49,967	50,282	48,414	48,690	32,462
Total net assets	6,082,069	5,445,281	5,316,287	4,505,507	4,276,591
Net assets per share (RMB)	2.789	2.497	2.438	2.235	2.122
Working capital	1,587,357	225,884	918,105	288,470	-252,664

Principal Financial Ratios

(For the year ended 31 Dec)	2003	2002	2001	2000	1999
Operating profit margin	75.24%*	71.92%	83.35%	81.19%	91.63%
Net profit margin	74.28%*	66.20%	83.34%	83.00%	96.77%
Return on average equity	15.60%	6.45%	8.31%	7.94%	8.04%
Interest cover	81.25	17.61	11.20	11.69	9.90

(As at 31 Dec)	2003	2002	2001	2000	1999
Current ratio	5.44	1.30	3.13	2.28	0.67
Gearing ratio	14.09%	22.12%	26.33%	25.71%	26.15%

* For easier comparison and analysis, the calculation of operation profit margin and net profit margin has discounted the effects of profit generated from the disposal of NH107 and NH205.

Notes:

Operating profit margin (Operating profit/Turnover x100%)

Net profit margin (Profit after tax and minority interests/Turnover x100%)

Return on average equity (Profit after tax and minority interests/Average equity x100%)

Current ratio (Current assets/Current liabilities)

Interest cover (Profit before interest and tax/Interest)

Gearing ratio (Total debt/Equity x100%)

3. FINANCIAL DATA AND INDICATORS PREPARED UNDER THE PRC ACCOUNTING STANDARDS (UNIT: RMB)

Item	As at 30 June 2004 (Unaudited)	As at 31 Dec 2003
Current assets	2,048,571,657.58	2,304,207,693.08
Current liabilities	1,118,597,708.08	368,356,792.38
Total assets	7,479,335,949.05	7,105,308,870.56
Shareholders' interest (Excluding minority interest)	5,725,998,360.60	5,952,865,584.17
Net asset per share	2.63	2.73
Adjusted net asset per share	2.63	2.73
	2004 (Unaudited)	2004 (Unaudited) (Restated)
(For the six months ended 30 June)		
Net profit	187,483,349.87	708,696,753.50
Net profit excluding non-recurring items	168,942,729.46	160,578,683.15
Earnings per share	0.086	0.325
Return on net assets (fully diluted)	3.27%	12.20%
Return on net assets (weighted average)	3.17%	12.39%
Net cash inflow from operating activities	203,799,392.56	190,099,557.00

4. THE MAJOR DIFFERENCES BETWEEN ACCOUNTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN HONG KONG AND PRC ACCOUNTING STANDARDS

	Profit attributable to shareholders for the six months ended 30 June 2004 RMB'000 (Unaudited)	Net assets as at 30 June 2004 RMB'000 (Unaudited)
As per PRC statutory accounts	187,483	5,725,998
Impact of HK GAAP adjustments:		
Amortisation of land use rights and the related deferred tax impact	2,574	58,133
Depreciation of fixed assets	758	17,126
Extra compensation for assets disposal	—	106,109
Imputed interest adjustment on long-term portion of receivables	17,890	(30,943)
Others	—	18
Net amount of adjustments	<u>21,222</u>	<u>150,443</u>
As restated after HK GAAP adjustments	<u><u>208,705</u></u>	<u><u>5,876,441</u></u>