

Investor Relations

The Company's management puts high regard to investor relations. Aside from full disclosure of information to investors in strict accordance with relevant regulations, the Company also seeks to strengthen communication with investors through various means to enhance transparency. The Group is also committed to bringing sound rewards for its investors by consistently maintaining a high dividend payout ratio.

Proactive Communication with Investors

The Company makes persistent efforts to enhance mutual communication with investors through proactive investor relations programmes. Our aim is to enhance transparency by making adequate disclosure of our business status and development trends to the public to ensure investors gain a better understanding of, and trust in the Company's business with stronger investment confidence. Understanding and confidence on the part of investors will facilitate market recognition and support for the Company, so that the Company's true value can be fully reflected in the market.

We believe it takes more than mere disclosure of corporate information to the public and stakeholders to foster good investor relations. We must readily listen to investors' feedback and understand their concerns and queries through mutual, interactive communication such as regular opinion surveys and day-to-day contact. Upon such feedback, appropriate measures should also be taken to clarify possible market misconceptions about the Company, while allowing the Board and management to take into full account investors' wishes and expectations for the Company.



In a persistent effort to improve our information disclosure standards, ever since the listing of its shares, the Company has maintained regular and timely dissemination of statutory information and other information on matters affecting investors' interests. For the coming year, we pledge continued efforts to strengthen corporate transparency and to maintain sound corporate governance by improving various management regimes.

Review of 2004

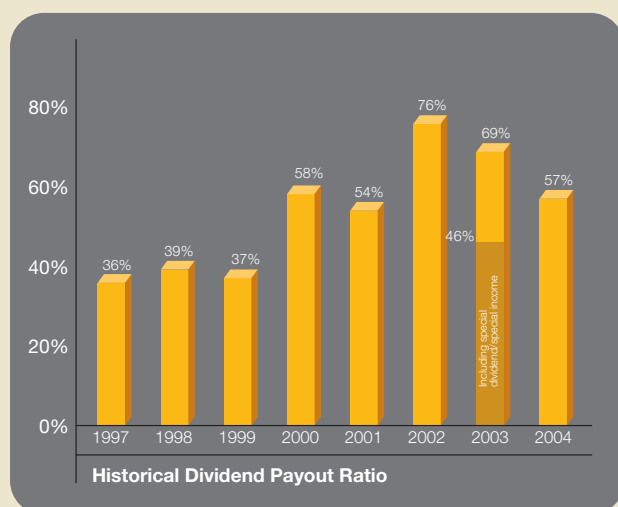
In 2004, we continued to update investors on the Company's latest developments and prospects through the dissemination of announcements and press releases in connection with financial matters and investment projects, meetings with institutional investors and stock analysts, participation in investor forums, telephone conferences, roadshows and investor opinion surveys.

The Company held two major presentations during the Year to brief investors and financial news media on its results and future development strategies and to address concerns of investors and the media. Following the announcement of 2003 annual results, the Chairman led the management team to embark on a roadshow across eight countries and regions including the UK and the US, conducting one-on-one presentations to more than 50 investment fund companies. Subsequently, the Company also appointed an independent investor relations consultant to interview analysts and investors to collect views and comments on the Company's results and future development. In 2004, the Company issued about 20 announcements in accordance with requirements of domestic and foreign stock exchanges to make disclosure on important information or the progress of major projects to facilitate timely understanding of the Company's latest developments and project details. Aside from statutory announcements, the Company also maintained close liaison with the media and institutional investors by issuing press releases from time to time. Management interviews with various financial news media, including major local and foreign players such as CCTV, Finance Asia, South China Morning Post, Wen Wei Po and RTHK, were arranged during the Year. These efforts in ongoing, proactive communication with the financial community, investors and the public have contributed to better understanding of the Company.



Emphasis on Shareholder Return

The Company has consistently maintained a high return to its shareholders ever since the listing of its shares, underpinned by the payment of cash dividend for seven consecutive years with a cumulative dividend payment of RMB1,413 million or 50% of its cumulative profit attributable to shareholders since listing.



Increasing Market Recognition

The Company enjoyed solid share-price performance in 2004 with a high level of turnover. Our shares were among constituent stocks in international as well as domestic stock indices, while the Company was named among the Top 100 PRC Listed Enterprises by the internationally renowned Asia Week, as efforts in investor relations were being paid off with increasing market recognition.

The Company's prestigious position in the capital market was reinforced by its inclusion in Morgan Stanley's MSCI China Index in May 2004 and in the Shanghai Stock Exchange's new SSE Dividend Index (上證紅利指數) in early 2005, indicating a benchmarked recognition of its market size and turnover in shares. Strong buys for the Company's shares are expected as constituent stocks of these two indices are favourite picks for institutional investors.

Outlook

The Company will maintain proactive communication with investors in 2005 to enable more in-depth understanding of its business and support for its strategies as it continues to pursue prudent expansion and growth. We would like to see investors buying on confidence and the business potential and true value of the Company be fully reflected in the market.