

FINANCIAL HIGHLIGHTS

Year 2004's financial report prepared by the Company in accordance with the PRC Accounting Standards and accounting principles generally accepted in Hong Kong ("HKGAAP") was audited by Deloitte Touche Tohmatsu Certified Public Accountants Limited and Deloitte Touche Tohmatsu, whose audited report expressed an unqualified opinion on the financial statements.

(1) According to the PRC Accounting Standards, the financial highlights of the Group as at 31st December 2004 are as follows:

Item	Unit: RMB'000
Gross profit	1,390,204
Net profit	826,725
Net profit after non-recurring profits/losses	1,104,208
Profit from principal operations	1,847,350
Other operating income/expenses, net	(4,219)
Profit from operations	1,527,917
Investment income	131,254
Subsidy income	–
Non-operating income/expenses, net	(268,967)
Net cash flow from operating activities	1,675,402
Net decrease in cash and cash equivalents	(1,012,255)

(2) According to the HKGAAP, the financial highlights of the Group as at ended 31st December 2004 are as follows:

Item	Unit: RMB'000
Revenue, net	2,951,996
Profit before taxation	1,545,244
Net profit	997,139
Profit from principal operations	1,483,019
Net cash flow from operating activities	1,503,116
Net decrease in cash and cash equivalents	(1,012,255)



(3) Differences between the PRC Accounting Standards and HK GAAP:

The differences between the statutory financial statements of the Group prepared in accordance with the PRC Accounting Standards and the financial statements of the Group prepared in accordance with HKGAAP are summarized as follows:

	Net Profit		Net Asset as at 31st December	
	2004 RMB'000	2003 RMB'000	2004 RMB'000	2003 RMB'000
As reported in PRC statutory financial statements	826,725	950,531	14,666,085	14,562,325
HKGAAP adjustments:				
- amortization of land use right	26,490	23,122	116,994	90,504
- valuation, depreciation and amortization of fixed assets	62,933	46,874	(1,481,262)	(1,544,195)
- deferred taxation	73,483	(4,279)	43,976	(29,507)
- fair value of investments in securities	—	(9,067)	—	—
- others	7,508	(1,408)	—	—
As reported in this financial statements prepared in accordance with HKGAAP	997,139	1,005,773	13,345,793	13,079,127

(4) Non-recurring profit/loss comprises the following:

Unit: RMB'000

Item	2004		2003	
	The Group	The Company	The Group	The Company
Non-operating income	9,886	8,456	9,969	11,828
Non-operating expenses	(278,853)	(274,486)	(8,789)	(12,046)
Subsidy income	—	—	19,648	—
Amortization of difference on long term equity investment	(12,216)	(11,997)	(12,088)	(11,997)
Gain from short term investments	1,913	—	10,049	9,000
Effects of Income tax	1,787	1,477	(12,995)	(5,462)
Total	(277,483)	(276,550)	(5,793)	(8,677)

Notes: The reasons for the substantial changes of the non-operating expenses during the reporting period as compared to the corresponding period of the previous year:

The Company has written off fixed assets removed in the expansion project of Shanghai-Nanjing Expressway with no usage value. The accumulated written off impairment was RMB249,139,000. The assets written off included:

- The accumulated loss on written off due to asset removal in the expansion project of Jiangsu Section of Shanghai-Nanjing Expressway amounted to RMB186,490,000.
 - Safety facilities of Shanghai-Nanjing Expressway: original asset value of RMB180,098,000, accumulated depreciation of RMB129,548,000 and written off amount of RMB50,550,000;
 - Assets of the over-pass bridge of Shanghai-Nanjing Expressway: original asset value of RMB107,573,000, accumulated depreciation of RMB14,727,000 and written off amount of RMB92,846,000;
 - Assets of the service areas of Shanghai-Nanjing Expressway: original asset value of RMB61,613,000, accumulated depreciation of RMB18,519,000 and written off amount of RMB43,094,000.
- The accumulated loss on written off assets without usage value due to technological advancement amounted to RMB62,649,000.
 - The three major systems of Shanghai-Nanjing Expressway: original asset value of RMB150,157,000, accumulated depreciation of RMB89,728,000 and written off amount of RMB60,429,000;
 - Office assets: original asset value of RMB7,964,000, accumulated depreciation of RMB5,744,000 and written off amount of RMB2,220,000.

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(5) Principal accounting data and financial indicators of the Group under the PRC GAAP for the past five years:

Unit: RMB'000

Item	2004	2003	2002	2001	2000
Income from principal activities	3,060,081	2,731,760	2,314,373	1,861,861	1,591,897
Net profit	826,725	950,531	816,833	780,864	691,486
Total assets	20,638,701	16,732,357	15,081,793	14,914,400	15,057,227
Total liabilities	5,559,152	1,769,782	417,181	670,109	1,132,571
Shareholders' equity (excluding minority interests)	14,666,085	14,562,325	14,268,109	14,112,946	13,795,206
Earnings per share	0.164	0.189	0.162	0.16	0.14
Net asset per share	2.91	2.89	2.83	2.80	2.74
Adjusted net asset per share	2.91	2.89	2.83	2.80	2.74
Net cash flow per share from operating activities	0.33	0.29	0.26	0.22	0.20
Return on net assets	5.64%	6.53%	5.72%	5.53%	5.01%
Weighted average return on net assets	5.66%	6.59%	5.75%	5.59%	5.31%

Note: During the reporting period, the income from principal activities come from two segments, the toll fees and income from ancillary services including refueling, catering, retailing, car repair, and so forth. Retrospective changes have been made to the financial figures of the past four financial years based on the same business segment standards of the reporting period.

(6) Principal accounting data and financial indicators of the Group under the HK GAAP for the past five years:

Unit: RMB'000

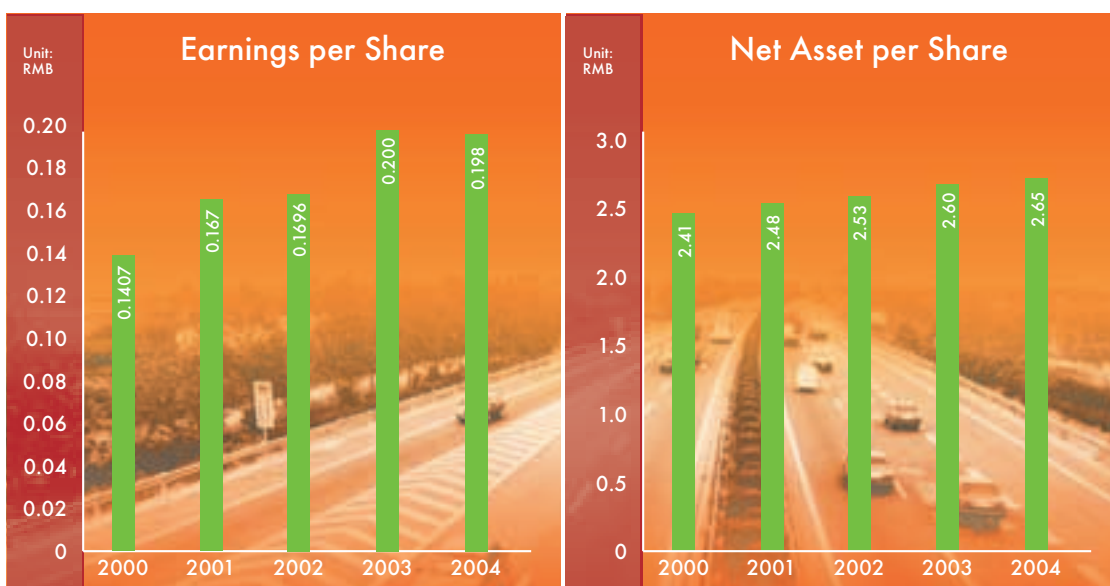
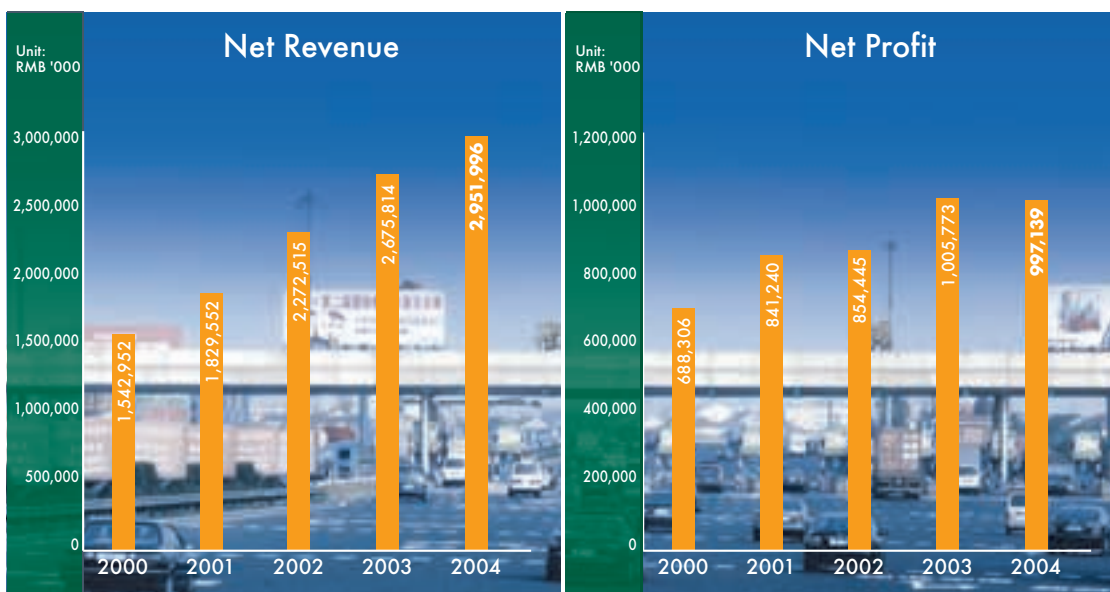
Item	2004	2003	2002	2001	2000
Revenue, net	2,951,996	2,675,814	2,272,515	1,829,552	1,542,952
Net profit	997,139	1,005,773	854,445	841,240	688,306
Total assets	19,318,407	15,278,665	13,566,108	13,334,684	13,400,108
Total liabilities	5,559,150	1,799,288	441,344	452,305	940,466
Shareholders' equity (excluding minority interests)	13,345,793	13,079,127	12,728,261	12,728,261	12,115,691
Earnings per share (RMB)	0.198	0.200	0.1696	0.167	0.1407
Net asset per share (RMB)	2.65	2.60	2.53	2.48	2.41
Adjusted net asset per share (RMB)	2.65	2.60	2.53	2.48	2.41
Net cash flow per share from operating activities	1,503,116	1,441,643	1,298,775	1,092,958	916,085
Return on net assets	7.47%	7.69%	6.78%	6.76%	5.68%

Notes: Under the HK GAAP, accumulated management expenses amounted to RMB373,358,000 which was a significant change over the corresponding period of the previous year, mainly due to disposal treatments made to the fixed assets affected by the Shanghai-Nanjing Expressway expansion project and to the fixed assets to be removed or of no more application values, and as a result an accumulated net loss of RMB225,971,000 was recorded therefrom. The components of the disposed assets are as follows:

- (1) A loss of RMB223,751,000 for buildings along the expressway and their related facilities which had to be removed due to the Shanghai-Nanjing Expressway expansion works;
- (2) A loss of RMB2,220,000 for disposal treatments on the assets of no more application value.

FIVE-YEAR FINANCIAL HIGHLIGHTS OF THE GROUP

(In accordance with HK GAAP)



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(7) Change of shareholders' equity in accordance with the PRC Accounting Standards during the reporting period:

Unit: RMB

Item	At the beginning of period	Increase for the period	Decrease for the period	At the end of period	Reasons for change
Share capital	5,037,747,500	/	/	5,037,747,500	/
Capital reserve	7,484,734,745	3,459,671	/	7,488,194,416	Donations to Jiangsu Kuailu Bus, the associated company
Statutory surplus reserve	766,382,010	159,162,495	/	925,544,505	Statutory appropriation
Including:					
Statutory public welfare fund	255,460,669	53,054,165	/	308,514,834	Statutory appropriation
Unrealized loss on investments	(4,048,916)	/	(4,048,916)	/	dealing with the losses incurred by Shuangshilou, the subsidiary
Retained earning	547,036,108	826,724,975	889,635,883	484,125,200	Operating results and the then dividend distribution
Latest balance Sheet distribution	730,473,388	730,473,388	730,473,388	730,473,388	
Shareholders' equity	14,562,324,835	103,760,174	/	14,666,085,009	

(8) Profit statement schedule in accordance with the PRC Accounting Standards:

Profit for the reporting period	Rate of return on net assets		Earnings per share (RMB)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	12.60%	12.64%	0.367	0.367
Operating profit	10.42%	10.46%	0.303	0.303
Net profit	5.64%	5.66%	0.164	0.164
Net profit after non-recurring profit/loss	7.53%	7.56%	0.219	0.219