

Investor Relations

The Company's management value investor relations. It helps investors improve their understanding of, and identification with, the Company through full disclosure of information to them, and seeks to strengthen communication and interaction with them through various means to enhance the Company's transparency. The Group strives to yield fruitful rewards for its investors as well by consistently maintaining a high dividend payout ratio.

COMPANY'S PHILOSOPHY

The Company regards effective communication as the core of investor relations, aimed at achieving a win-win situation for both the Company and its investors. A listed company grows with its investors by maintaining a sound business operation and ensuring a satisfactory profit level and growth. This will in turn foster a good and healthy corporate image in the capital market needed for the Company's further business development, enabling a constructive interaction between the Company's business and capital operations for maximising the interests of shareholders and maintaining a sustained, rapid growth of the Company.

It is our belief that good investor relations is underpinned by full disclosure of information. The Company fulfills its obligation of making statutory disclosures of information promptly and accurately and in strict compliance with relevant laws and the Listing Rules. On this basis, the Company takes the initiative in disclosing other relevant information about which investors are concerned to enhance their understanding of the Company's business and development trends so that they have more confidence in their investment in the Company. Impartial treatment towards all shareholders is the Company's primary principle in order to excel in investor relations. Accordingly, various means should be adopted to strengthen communication and two-way exchange with investors to facilitate timely access to, and accurate understanding of, the Company's information by different types of investors, in particular public investors. A corporate culture based on respect and accountability towards investors should also be initiated and developed within the Company.

REVIEW OF 2005

In 2005, we continued to update our investors on the Company's latest moves and development prospects through various activities such as the issue of announcements in newspapers and on designated websites, regular dispatch of press releases and investor newsletters in connection with the Company's operations and development, regular meetings with investors and analysts, prompt responses to investors' inquiries, participation in investor forums, results presentations, news briefings, teleconferencing, local and overseas roadshows and online investor reception days.

During the year, interim and final results announcements were made promptly pursuant to relevant regulations and more than 40 provisional announcements were released, providing, in an objective way, the statutory information on matters which might have an impact on the investors' interest. The standards for making information disclosures are being continuously raised as well. In addition, investors were briefed on the Company's routine operating performance and updates through the regular publication of the "Letters to the Investors" and the provision of monthly traffic flow figures. These announcements and information were posted simultaneously on the websites of the stock exchanges and of the Company to facilitate investors' browsing. In 2005, the Company's management received 67 investor visits involving about 120 visitors, and consistently held or participated in various presentation activities, details of which are as follows:



- January • Participated in the "5th Greater China Forum" organised by UBS Warburg in Shanghai
- February • Held annual results presentation and news briefing in Hong Kong and Shenzhen
- Organised roadshows in Hong Kong
- Held teleconferencing with investors on the Qinglian Project

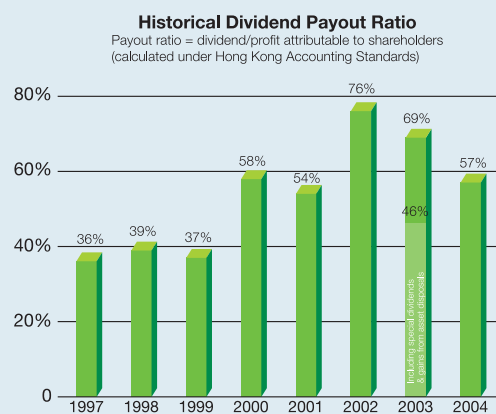
- March
 - Organised roadshows in Beijing
 - Participated in the “China Concept 2005” conference organised by Deutsche Bank AG in Beijing
- April
 - Held online reception day
- May
 - Participated in the “10th Chinese Investors Forum” organised by Credit Lyonnais Securities in Beijing
 - Participated in the “China Investment Front Conference 2005” organised by Goldman Sachs Gao Hua Securities in Kunming
 - Participated in an industry seminar organised by China Merchants Securities in Shenzhen
- June
 - Organised international roadshows
 - Participated in the “1st Chinese Investor Relations Annual Conference” organised by Securities Market Weekly. Awarded the title of “Excellence in Investor Relations”
- August
 - Held interim results presentation and news briefing in Hong Kong and Shenzhen
- October
 - Held online reception day
- December
 - Organised roadshows in Beijing and Shanghai

Through the participation in the above activities, we were able to Convey our message to investors effectively and collect information from them and sincerely listen to their feedback, creating a constructive interaction between investors and the Company for the benefit of both.

EMPHASIS ON SHAREHOLDER RETURN

The Company has consistently maintained a high return for its shareholders ever since its flotation, underpinned by the payment of cash dividends for eight consecutive years with an aggregate dividend payment of approximately RMB1,652 million.

A substantial increase in capital expenditures has been incurred to the Company due to increased investments and acquisitions of quality projects in recent years for the purpose of achieving the Company’s development objectives and a higher-than-average return for its shareholders as its ultimate goal. However, the Board will still maintain a consistent dividend payout policy in the years ahead in the long-term interest of the Company’s investors and for their benefit of current gains. In 2005, the Board recommended the payment of a cash dividend of RMB0.12 per share, representing 54% of the net profit in the PRC statutory financial statements or 48% of adjusted profit attributable to shareholders under the Hong Kong Accounting Standards for the Year.



OUTLOOK

In 2006, the Company will continue to treat all investors on an equal basis and strive to maintain adequate and effective communication and interaction with investors, in strict compliance with various regulations, with a view to enhancing their understanding of and identification with the Company. Meanwhile, it will continue to seek new ways and channels by making use of information technology such as the Internet for further increasing participation by medium and small investors and enhancing the Company’s transparency so that our investor relations work will move up to a new level.