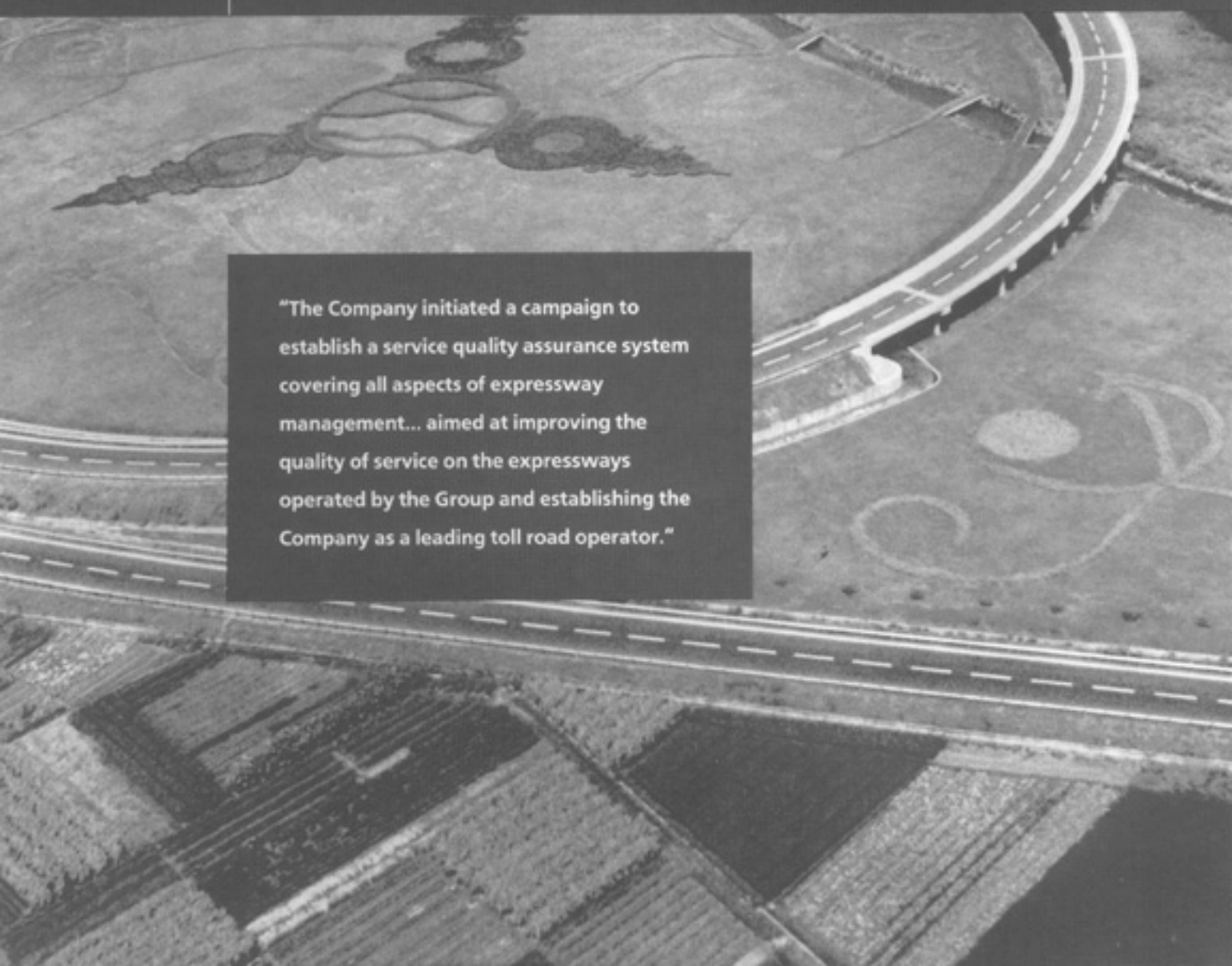




"The Company initiated a campaign to establish a service quality assurance system covering all aspects of expressway management... aimed at improving the quality of service on the expressways operated by the Group and establishing the Company as a leading toll road operator."





Management Discussion and Analysis

BUSINESS REVIEW

In 2000, relying mainly upon organic growth in traffic volume and expanded operations in ancillary businesses, the Group achieved solid growth in both revenue and net profit, which increased by 13.1% and 16.0% over that of 1999 to RMB1,188.6 million and RMB636.0 million, respectively.

Income generated from the core business operation of toll roads continued to constitute the dominant share of overall revenue, which grew by 12.1% over that of 1999 to reach approximately RMB1,219.7 million, whilst contribution from certain ancillary businesses such as road-side advertising demonstrated outstanding growth potential.