

BUSINESS REVIEW

In 2002, the national economy of the PRC had a good start, most of the economic targets were reached above expectation, in the meanwhile, the recovery process of world economy came reached earlier than was expected and the international economic environment improved gradually, all of these factors had contributed to the expansion of exports in the PRC and high growth rate of the national economy. During the period under review, the national economy of China reversed the downward trend last year, this year it developed soundly and grew steadily. As a result, the GDP of the PRC grew by 7.8%. Investment in the fixed assets had been increasing in a rapid pace, total consumption and foreign investments continued to grow steadily in the PRC and the situation of exports had been getting better and better. During the period under review, the GDP of Anhui Province grew by 8.0%, which was above the average GDP figure of the country. Benefited from the national economy's stable development, which provided a favorable macroeconomic environment for the Group, the traffic volume for the highways of the Group increased substantially. During the period under review, the turnover of the Group was RMB 343,565,000, representing an increase of 27.91% compared with that of the corresponding period last year. Audited profit attributable to shareholders was RMB 160,152,000, representing an increase of 19.33% compared with that of the corresponding period last year. Earnings per Share was RMB 0.1137, representing an increase of 19.3% compared with that of the corresponding period last year.

A brief introduction of the business of the Group is presented as follows:

Toll roads

1. Hening Expressway

During the first six months of this year, the average daily traffic volume on Hening Expressway was 17,085 vehicles, representing an increase of 9.55% compared with that of the corresponding period last year. Toll income amounted to RMB 183,273,000, representing an increase of 13.35% compared with that of the corresponding period last year.

2. 205 Tianchang Section

During the first six months of this year, the average daily traffic volume on 205 Tianchang Section was 11,830 vehicles, representing an increase of 18.78% compared with that of the corresponding period last year. Toll income amounted to RMB 31,254,000, representing an increase of 25.99% compared with that of the corresponding period last year.



3. Xuanguang Expressway

During the first six months of this year, the average daily traffic volume on Xuanguang Expressway was 3,523 vehicles, representing an increase of 35.14% compared with that of the corresponding period last year. Toll income amounted to RMB 47,766,000, representing an increase of 36.12% compared with that of the corresponding period last year.

4. Gaojie Expressway

During the first six months of this year, the average daily traffic volume on Gaojie Expressway was 6,887 vehicles, representing an increase of 13.94% compared with that of the corresponding period last year. Toll income amounted to RMB 82,496,000, representing an increase of 30% compared with that of the corresponding period last year.



Hi-tech business

During the period under review, the turnover of Wantong Science & Technology was RMB 15,779,000 and its net profit was RMB 277,000, representing an increase of 389.68% and 42.23% respectively compared with that of the corresponding period last year.