

CHAIRMAN'S STATEMENT

PRACTICING GOOD CORPORATE GOVERNANCE, PURSUING GROWTH IN SHAREHOLDERS' VALUE.

The Company achieved continued growth in operating results in 2002, its fifth consecutive year of growth since 1997. In the eleventh annual poll of Asia's best-managed companies conducted by Asiamoney magazine, we were for the fifth time being voted by global fund managers as one of the top 10 best-managed companies among our Chinese peers. During the period, our share price had not only maintained upwards momentum since our secondary listing on the London Stock Exchange in May 2000, but also surpassed our issuing price at IPO in Hong Kong.





A favorable operating environment, focused management and good corporate governance notwithstanding, I believe our

corporate culture which we have been actively promoting is also indispensable in our ability to achieve continued and steady growth. We hold the view that a good corporate culture is crucial for a company to maintain long-term steady business performance.

Through the promotion and demonstration by the management, as well as the acceptance and practice by all of our employees, the Company has gradually crystallized a corporate culture that embodies "harmony, openness, integrity and entrepreneurship" as its core values. The corporate culture reflects the spirit of keeping abreast with times, as well as accentuating the positive. It has permeated various aspects of our operations, including corporate governance, strategic development, operating management, information disclosure and investor relations.

Good practices in corporate governance have already become an important part of the Company's corporate culture. For example:

