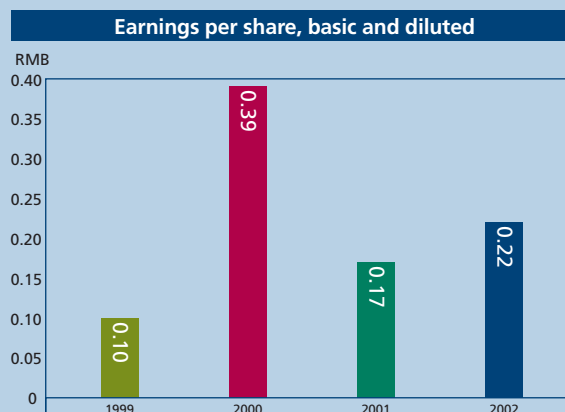
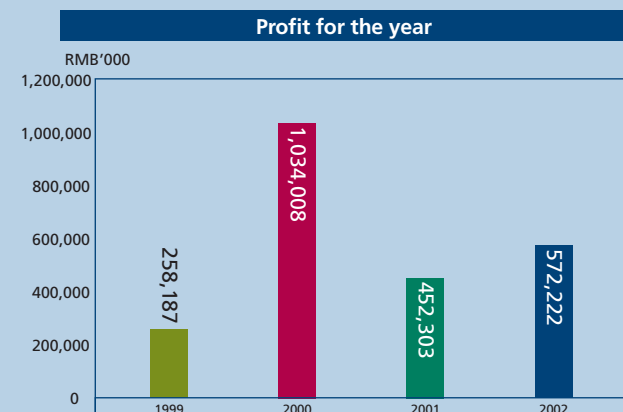
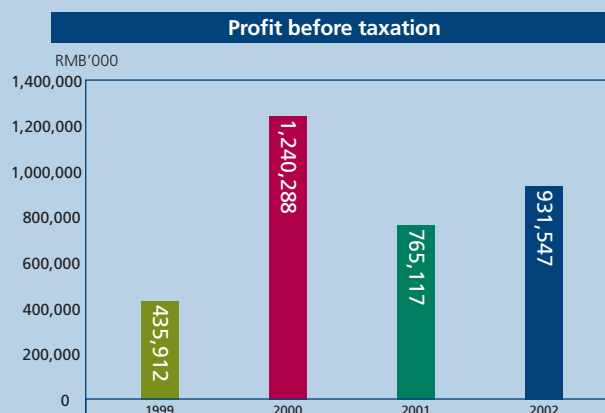
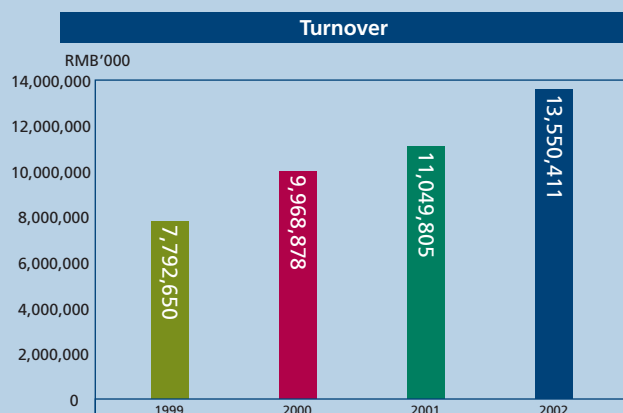


Financial Highlights

| | As at 31 December | | | 2002 RMB\$'000 |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 1999 RMB\$'000 | 2000 RMB\$'000 | 2001 RMB\$'000 | |
| Total assets | 4,584,196 | 6,074,104 | 6,158,637 | 7,386,735 |
| Total liabilities | 3,662,136 | 4,039,351 | 3,805,980 | 4,833,721 |
| Minority interests | 98,166 | 506,740 | 573,681 | 679,786 |
| Owner's equity | 823,894 | 1,528,013 | 1,778,976 | 1,873,228 |



Note 1: As China National Foreign Trade Transportation (Group) Corporation ("Sinotrans Group Company") controlled the business transferred to the Company before the reorganisation and continues to control the Company after the reorganisation in 2002 (See Note 1 to the financial statements, the "Reorganisation"), the consolidated financial statements of the Group for the years ended 31 December 1999, 2000, 2001 and 2002 have been prepared as a reorganisation of business under common control in a manner similar to a pooling-of-interests. The consolidated financial statements of the Group for the years ended 31 December 1999, 2000, 2001 and 2002 present the results of the Group as if it had been in existence throughout the period, rather than from the date on which the Reorganisation was completed.

Note 2: Basic and diluted earnings per share for the years ended 31 December 1999, 2000, 2001 and 2002

have been computed by dividing the profit for the year by 2,624,087,200 shares, being the number of shares issued and outstanding upon the legal formation of the Company on 20 November 2002 as if such shares had been outstanding for all years presented. As there are no potentially diluted securities, there is no difference between basic and diluted earnings per share.

Note 3: Sinotrans Air Transportation Development Company Limited ("Sinoair"), one of the Company's subsidiaries issued shares in its initial public offering on the Shanghai Stock Exchange in 2000. Sinoair received net cash proceeds of approximately RMB955,520,000 from the issuance. Following the issuance of shares to the public, the equity interest held by the Company decreased from 94.13% to 70.36%, while the Group's share of net assets of the subsidiary increased from approximately RMB385,333,000 to approximately RMB988,420,000, resulting in a gain of approximately RMB603,087,000.

With the successful listing of the Company, Sinotrans' corporate governance framework and standard, our management model and quality, as well as our operating strategies and performance have undergone a close scrutiny by the international capital markets and are well recognised . The listing would also provide further growth potential for the Group's development in the future.

