

Financial and Business Highlights

The financial statements of the Company for the year ended 31st December 2002 were audited by PricewaterhouseCoopers Zhong Tian Certified Public Accountants Co., Ltd. and PricewaterhouseCoopers who issued unqualified audit opinions on these financial statements.

I. PREPARED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE PRC (“the PRC Accounting Standards”)

1. Key Profitability Indicators of the Company for the current year (Unit: RMB)

Indicators	2002
Total profit	324,805,926
Net Profit	258,392,601
Net profit after extraordinary items	246,635,623
Profit from principal operations	397,989,231
Other operating profit	4,936,854
Operating profit	325,036,633
Investment income	19,857
Subsidy income	—
Non-operating loss, net	(250,564)
Net cash flows from operating activities	502,611,988
Net increase in cash and cash equivalents	747,435,753

Notes: Extraordinary items deducted and amounts involved:

(1) Financial refunds of business tax	1,293,141
(2) Financial refunds of income tax	10,659,938
(3) Investment income	16,878
(4) Subsidy income	74,194
(5) Non-operating income	518,102
(6) Non-operating expenses	(761,253)
(7) Prior year's adjustment	(44,022)

Total:	11,756,978
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Financial and Business Highlights (cont'd)

2. Key accounting data and financial indicators of the Company for the past five years up to the end of the reporting period: (Unit: RMB)

Items	2002	2001	2000	1999	1998
Income from principal operations	751,627,488	611,449,942	408,766,444	349,435,609	291,153,831
Net profit	258,392,601	248,119,321	179,702,205	144,434,134	125,536,031
Total assets	5,062,203,679	4,359,674,870	4,302,013,163	3,054,767,411	3,132,349,000
Shareholders' interests (Excluding minority interests)	3,552,199,647	2,887,035,851	2,723,433,130	2,571,903,125	2,483,813,391
Earnings per share	0.16	0.18	0.13	0.10	0.09
Net asset per share	2.14	2.05	1.93	1.83	1.76
Adjusted net assets per share	2.14	2.04	1.93	1.82	1.76
Net cash flows from operating activities per share	0.30	0.30	0.18	0.16	0.17
Returns on net assets (fully diluted)	7.3%	8.6%	6.6%	5.6%	5.1%
Returns on net assets after extraordinary items (weighted average)	8.3%	8.7%	6.8%	5.9%	5.3%
Returns on net assets after extraordinary items (fully diluted)	6.9%	8.6%	6.6%	5.9%	5.2%

3. Changes in shareholders' equity during the reporting period:

Items	At beginning of period	Increases	Decreases	At end of period	Reasons for change
Share capital	1,408,610,000	250,000,000	—	1,658,610,000	Issue of domestic listed Renminbi-denominated ordinary shares A Shares
Capital reserves	899,629,480	276,959,994	—	1,176,589,474	Issue of A Shares at premium, net of issuing expenses
Surplus reserves	174,466,601	66,323,454	—	240,790,055	Profit appropriation
Including:					
Statutory public welfare fund	83,574,441	30,720,905	—	114,295,346	Ditto
Unappropriated profit	404,329,770	71,880,348	—	476,210,118	Increase in net profit and profit appropriation
Total shareholders' equities	2,887,035,851	665,163,796	—	3,552,199,647	

II. PREPARED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN HONG KONG ("the Hong Kong Accounting Standards")

Summary of Results

For the year ended 31st December 2002

Unit: RMB'000

Year	2002	2001	2000	1999	1998
Turnover	719,123	588,006	386,825	330,433	275,258
Operating profit before taxation	392,305	329,914	293,353	244,146	194,541
Profit attributable to shareholders	309,031	269,972	227,176	206,156	165,360
Earnings per share (RMB)	0.2185	0.1917	0.1613	0.1464	0.1174

Financial and Business Highlights (cont'd)

Summary of Assets

As at 31st December 2002

Unit: RMB'000

Year	2002	2001	2000	1999	1998
Total assets	5,748,625	4,978,597	4,881,325	3,559,468	3,568,837
Total liabilities	1,590,371	1,543,645	1,645,915	494,890	710,415
Total net assets	4,158,254	3,434,952	3,235,410	3,064,578	2,858,422
Net assets per share (RMB)	2.5071	2.4385	2.2969	2.1756	2.0293

III. MAJOR DIFFERENCE BETWEEN FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH DIFFERENT ACCOUNTING STANDARDS

Unit: RMB'000

	Net assets (As at 31st December 2002)	Net profit (Year ended 31st December 2002)
Amount reported in accordance with the PRC Accounting Standards	3,552,202	258,392
Adjustments made in accordance with the Hong Kong Accounting Standards:		
1. Valuation of expressways and buildings and their depreciation	597,801	58,812
2. Valuation of land use rights and their amortisation	88,618	8,688
3. Deferred taxation	(130,125)	(16,861)
4. Dividends declared subsequent to balance sheet date	49,758	—
Amount as reported under the Hong Kong Accounting Standards	4,158,254	309,031

Explanations for adjustments:

1. In order to issue and list H shares, the non-current assets and land use rights of the Company, which were revalued by a chinese asset valuation institution and an international asset valuation institution on 30th April 1996 and 15th August 1996 respectively, were incorporated into the related statutory financial statements and the financial statements prepared in accordance with the Hong Kong Accounting Standards. Also, depreciation of expressways and buildings and amortisation of land use rights were calculated according to sinking fund method in the financial statements prepared in accordance with the Hong Kong Accounting Standards, but were calculated according to the straight-line method in the statutory financial statements. Such differences led to differences of RMB67,500,000 for net profit, and RMB686,419,000 for net assets.
2. As a result of the differences in valuations and methods of provisions of depreciation and amortisation of the non-current assets and land use rights between the statutory financial statements and the financial statements prepared in accordance with the Hong Kong Accounting Standards as mentioned in item 1, adjustments in deferred taxation have led to differences of RMB16,861,000 for net profit and RMB130,125,000 for net assets.
3. According to the provisions of the Hong Kong Accounting Standards, dividends declared subsequent to the balance sheet date by the Company will be disclosed as a post balance sheet event in the notes to the financial statements and will not be recognised as an existing liability in the balance sheet. Such item was recognised as a liability in the statutory accounts.