

**Details of the profit of the Group for the year**

Extracted from the accounts prepared in accordance with PRC accounting standards and systems:

	Rmb'000
Total profit	260,137
Net profit	146,134
Net profit after non-operating items (note)	147,580
Profit from principal operations	1,148,025
Profit from other operations	36,061
Operating profit	262,425
Income from investments	(841)
Government subsidies	3,512
Net non-operating result	(4,959)
Net cash inflows from operating activities	140,154
Net increase in cash and cash equivalents	379,067

Note: The non-operating items include government subsidies of Rmb3,512,000 and net non-operating loss of Rmb4,959,000.

**Explanations for the differences between the accounts prepared in accordance with PRC accounting standards and systems and accounting principles generally accepted in Hong Kong ("HKGAAP") are set out below:**

	Group		Company	
	2001	As restated 2000	2001	As restated 2000
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Net assets under PRC accounting standards and systems	<b>2,172,910</b>	1,326,404	<b>2,174,092</b>	1,329,282
Provision for bad debts	<b>(33,905)</b>	(28,520)	—	—
Deferred expenditure capitalised	<b>79,463</b>	89,909	<b>1,944</b>	2,187
Difference in fixed assets revaluation	<b>136,758</b>	138,733	—	—
Overprovision of research and development cost	<b>17,463</b>	17,463	—	—
Impairment charge recognised in 2001 under HK GAAP	—	50,119	—	—
Difference in minority interests	<b>(12,913)</b>	(19,618)	—	—
Dividend proposed and declared post balance sheet date	<b>48,654</b>	24,327	<b>48,654</b>	24,327
Reversal of share of net assets/(liabilities) of subsidiaries	—	—	<b>(74,171)</b>	4,291
Net assets under HK GAAP	<b><u>2,408,430</u></b>	<b><u>1,598,817</u></b>	<b><u>2,150,519</u></b>	<b><u>1,360,087</u></b>

	Group		Company	
	2001 <i>Rmb'000</i>	As restated 2000 <i>Rmb'000</i>	2001 <i>Rmb'000</i>	As restated 2000 <i>Rmb'000</i>
Net profit under PRC accounting standards and systems	146,134	141,214	150,116	148,804
Impairment charge on fixed assets and construction in progress	(50,119)	—	—	—
Amortisation of deferred expenditure capitalised	(10,446)	(10,448)	(243)	(243)
Additional depreciation on revalued fixed assets	(1,975)	(1,444)	—	—
Reversal of overprovided research and development cost	—	11,525	—	—
Subsidies income recognised	3,061	13,185	—	—
Inventories written off	—	(17,255)	—	—
Removal compensation recognised in prior years	—	(7,947)	—	—
Cost of goods sold overstated	(2,229)	—	—	—
Bad debt recovered	2,796	—	—	—
Distribution of staff welfare fund from net profit	(1,334)	—	—	—
Difference in changes in minority interests	9,980	6,420	—	—
Reverse of share of results of subsidiaries	—	—	(73,186)	(100,586)
Net profit under HK GAAP	<u>95,868</u>	<u>135,250</u>	<u>76,687</u>	<u>47,975</u>

### Principal financial data and financial indicators

1 *Extracted from the accounts prepared in accordance with PRC accounting standards and systems:*

	2001 <i>Rmb'000</i>	2000 <i>Rmb'000</i>	2000 Restated <i>Rmb'000</i>	1999 <i>Rmb'000</i>
Income from principal operation	5,334,029	4,222,857	4,222,857	3,454,490
Net profit	146,134	146,234	141,214	128,663
Total assets	3,697,239	3,063,915	3,017,797	3,001,287
Shareholders' equity (excluding minority interests)	2,172,910	1,373,105	1,326,404	1,365,972
Earnings per share	Rmb0.18	Rmb0.20	Rmb0.19	Rmb0.18
Net assets per share	Rmb2.68	Rmb1.87	Rmb1.81	Rmb1.86
Adjusted net assets per share	Rmb2.59	Rmb1.74	Rmb1.68	Rmb1.70
Net cash inflow from operating activities per share	Rmb0.17	Rmb0.39	Rmb0.39	Rmb0.40
Return on net assets (fully diluted)	6.73%	10.65%	10.65%	9.42%
Return on net assets (weighted average)	7.04%	10.15%	10.02%	9.72%
Return on net assets after deducting of exceptional items	7.11%	8.78%	8.96%	8.61%
Ratio of shareholders' equity	58.77%	44.82%	43.95%	45.51%
Gearing ratio	38.23%	51.89%	52.90%	51.30%

2 *Extracted from the accounts prepared in accordance with HK GAAP:*

	2001 <i>Rmb'000</i>	2000 (as restated) <i>Rmb'000</i>	1999 <i>Rmb'000</i>	1998 <i>Rmb'000</i>	1997 (Proforma) <i>Rmb'000</i>
Turnover	<b>5,334,029</b>	4,222,857	3,454,492	3,326,658	3,056,512
Profit before taxation	<b>205,987</b>	204,572	178,115	161,921	183,262
Profit attributable to shareholders	<b>95,868</b>	135,250	128,688	123,724	128,417
Total assets	<b>3,877,969</b>	3,256,426	3,072,057	2,998,567	3,102,140
Total liabilities	<b>1,469,539</b>	1,657,609	1,593,832	1,612,385	1,795,707
Shareholders' equity	<b>2,408,430</b>	1,598,817	1,478,225	1,386,182	1,306,433
Earnings per share	<b>Rmb0.119</b>	Rmb0.185	Rmb0.176	Rmb0.169	Rmb0.23
Net assets per share	<b>Rmb2.97</b>	Rmb2.18	Rmb2.02	Rmb1.89	Rmb1.78
Return on net assets	<b>Rmb3.98</b>	Rmb8.46	Rmb8.71	Rmb8.93	Rmb9.83
Ratio of shareholders' equity	<b>62.11%</b>	49.10%	48.12%	46.23%	42.11%
Gearing Ratio	<b>37.89%</b>	50.90%	51.88%	53.77%	57.89%

- (a) The proforma consolidated profit and loss account for the year ended 31 December 1997 have been prepared as if the Group structure existed at 31 December 1997 had been in existence throughout the periods presented and the operations of the Group comprised its business undertaking's existed at 31 December 1997. The Group's proforma results for the year ended 31 December 1997 and its proforma assets and liabilities as at 31 December 1997 were extracted from pages 35 and 36 of the 1997 annual report.
- (b) In accordance with SSAP9 (revised) - Events after the balance sheet date, the Group no longer recognises dividends proposed or declared after the balance sheet date as a liability in 2001. This change in accounting policy has been applied retrospectively so that comparatives of 2000 presented have been restated to conform to the changed policy.
- (c) The gearing ratio is calculated based on: total liabilities / total assets x100%

**Statement of profit indicators prepared in accordance with PRC accounting standards and systems as required by "Regulation for information disclosure of public companies (No. 9)" issued by the CSRC:**

	Return on net assets		Earnings per share (Rmb)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit for the reporting period				
Income from principal operations	52.83%	55.30%	1.4157	1.5664
Income from operations	12.08%	12.64%	0.3236	0.3581
Net profit	6.73%	7.04%	0.1802	0.1994
Net profit after deduction of exceptional items	6.79%	7.11%	0.1820	0.2014

**Change in shareholders' equity of the Group during the year**

1 *Extracted from the accounts prepared in accordance with PRC accounting standards and systems:*

	Capital Rmb'000	Capital Reserve Rmb'000	Surplus Reserve Rmb'000	including: Statutory public welfare fund Rmb'000	Retained Earnings Rmb'000	Total Equity Rmb'000
Opening balance	732,900	445,109	175,833	72,431	(27,438)	1,326,404
Additions	78,000	665,348	75,188	20,326	146,134	964,670
Reduction	—	—	—	—	118,164	118,164
Closing balance	<u>810,900</u>	<u>1,110,457</u>	<u>251,021</u>	<u>92,757</u>	<u>532</u>	<u>2,172,910</u>

2 *Extracted from the accounts prepared in accordance with HK GAAP:*

	Share capital Rmb'000	Share premium Rmb'000	Capital reserve Rmb'000	Statutory surplus reserve Rmb'000	Statutory public welfare fund Rmb'000	Discretionary surplus reserve Rmb'000	Retained earnings Rmb'000	Total equity Rmb'000
At 1 January 2001(restated)	732,900	120,333	437,278	102,762	68,211	23,101	114,232	1,598,817
Profit for the year	—	—	—	—	—	—	95,868	95,868
Transfer from retained earning	—	—	2,873	26,763	24,547	22,156	(76,339)	—
Transfer to retained earning	—	—	—	(9,123)	—	(7,396)	16,519	—
2000 dividend paid	—	—	—	—	—	—	(24,327)	(24,327)
Issue of A shares	78,000	686,400	—	—	—	—	—	764,400
Share issue expenses	—	(26,328)	—	—	—	—	—	(26,328)
At 31 December 2001	<u>810,900</u>	<u>780,405</u>	<u>440,151</u>	<u>120,402</u>	<u>92,758</u>	<u>37,861</u>	<u>125,953</u>	<u>2,408,430</u>