

2. FINANCIAL SUMMARY

Principal financial data and financial indicators of the Group:

Extracted from the interim financial report prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting
(Consolidated and unaudited)

	For the six months ended 30 June	
	2001 Rmb'000	2000 Rmb'000
Turnover	3,910,340	4,346,542
Loss on disposal of property, plant and equipment	1,149	60,882
Profit from ordinary activities before taxation	150,424	453,814*
Income tax expense	26,972	72,623
Profit attributable to shareholders	121,186	377,525*
Basic earnings per share	Rmb0.030	Rmb0.094*

* These figures have been adjusted as a result of the change in accounting policy for deferred asset. Details are set out in note 14 to the interim financial report prepared in accordance with IAS 34.

Extracted from the interim financial report prepared in accordance with the PRC Accounting Rules and Regulations
(Consolidated and unaudited figures)

	For the six months ended 30 June or at 30 June		For the year ended 31 December or at 31 December
	2001 Rmb'000	2000 Rmb'000	2000 Rmb'000
Income from principal operations	3,910,340	4,346,542	9,014,472
Total profit	150,424	453,814	985,493
Income tax	26,972	72,623	139,391
Net profit	121,186	377,525	840,228
Net profit before non-operating loss	121,186	438,407	915,998
Non-operating loss			
Loss on disposal of fixed assets	–	60,882	75,770
Total assets	11,546,207	11,518,662	11,361,088
Total liabilities to total assets ratio	23.00%	24.80%*	22.83%*
Shareholders' funds (excluding minority interests)	8,832,265	8,608,376*	8,711,079*
Earnings per share			
(weighted average and fully diluted)			
– Profit from principal operations	Rmb0.109	Rmb0.222	Rmb0.460
– Operating profit	Rmb0.037	Rmb0.130	Rmb0.270
– Net profit	Rmb0.030	Rmb0.094	Rmb0.210
– Net profit before non-operating loss	Rmb0.030	Rmb0.110	Rmb0.229
Returns on net assets (fully diluted)			
– Profit from principal operations	4.96%	10.32%*	21.13%*
– Operating profit	1.66%	6.05%*	12.39%*
– Net profit	1.37%	4.39%*	9.65%*
– Net profit before non-operating loss	1.37%	5.09%*	10.52%*
Returns on net assets (weighted average)			
– Profit from principal operations	4.99%	10.56%*	21.28%*
– Operating profit	1.67%	6.18%*	12.48%*
– Net profit	1.38%	4.48%*	9.71%*
– Net profit before non-operating loss	1.38%	5.21%*	10.59%*
Net assets per share	Rmb2.208	Rmb2.152*	Rmb2.178*
Adjusted net assets per share	Rmb2.199	Rmb2.147	Rmb2.154
Net cash inflow from operating activities per share	Rmb0.066	Rmb0.263	Rmb0.528

* These figures have been adjusted as a result of the change in accounting policy for Housing Revolving Fund. Details are set out in note 2 to the interim financial report prepared in accordance with the PRC Accounting Rules and Regulations.

Notes:

1. The adoption of Accounting Regulation for Business Enterprises, effective from 1 January 2001, issued by the Ministry of Finance ("MOF") of the PRC has no material impact on the financial position of the Group and the Company as at 31 December 2000 and on the results of operations for the year then ended.
2. Formulas of principal financial indicators:

Earnings per share = Net profit ÷ Total number of the ordinary shares at the end of the period

Net assets per share = Shareholders' funds at the end of the period ÷ Total number of the ordinary shares at the end of the period

Return on net assets = Net profit/Shareholders' funds at the end of the period x 100%

Adjusted net assets per share = (Shareholders' funds at the end of the period – accounts receivables of more than 3 years* – deferred expenses – net losses on current or fixed assets to be disposed of – pre-operating expenses – long-term deferred expenses – debit balance of housing revolving funds)/Total number of the ordinary shares at the end of the period

* Accounts receivables includes trade receivables, other receivables, advance payments, dividend receivables, interest receivables and subsidy receivables

The formulas of the Group's return on net assets and earnings per share, prepared in accordance with "Information Disclosure Rule No.9 for Companies which issued Securities Publicly – Calculation and Disclosure of Return on Net Assets and Earnings Per Share" issued by CSRC, are set out as below:

Fully diluted return on net assets = Net profit during the report period/Net assets at the end of the report period

$$\text{Weighted average return on net assets} = \frac{P}{E0 + NP \div 2 + Ei \times Mi + M0 - Ej \times Mj + M0}$$

P means the profit during the report period; NP means the net profit during the report period; E0 means the net assets at the beginning of report period; Ei means the increase of net assets by the issue of new shares or by converting debts to equity, etc. during the report period; Ej means the decrease of net assets by repurchase of share capital or by cash dividend payment, etc. during the report period; M0 means the number of months during the report period; Mi means the number of months from the next month of increase in net assets to the end of the report period; Mj means the number of months from the next month of decrease in net assets to the end of the report period.

Fully diluted earnings per share = Net profit for the report period/Total number of shares at the end of the report period

$$\text{Weighted average earnings per share} = \frac{P}{S0 + S1 + Si \times Mi + M0 - Sj \times Mj + M0}$$

P means the profit during the report period; S0 means the total number of shares at the beginning of the report period; S1 means the number of shares increased by capitalization of the surplus reserves or bonus issue, etc. during the report period; Si means the number of shares increased by the issue of new shares or by converting debts to equity, etc.; Sj means the number of shares decreased by repurchase or reduction of share capital, etc.; M0 means the number of months during the report period; Mi means the number of months from the next month of increase in net assets to the end of the report period; Mj means the number of months from the next month of decrease in net assets to the end of the report period.