

FINANCIAL AND BUSINESS HIGHLIGHTS

Prepared in accordance with International Accounting Standards (“IAS”)

Items	For the year ended 31 December		
	2001 <i>Rmb'000</i>	2000 <i>Rmb'000</i>	1999 <i>Rmb'000</i>
Turnover	9,465,247	9,767,600	6,907,996
Profit before taxation	698,824	754,877	427,503
Taxation	332,343	263,482	132,082
Net profit	366,481	491,395	295,421
Total assets	10,244,437	9,487,198	6,894,041
Total liabilities	2,800,895	2,267,402	1,539,401
Shareholders' funds	7,443,542	7,219,796	5,354,640
Net assets per share	Rmb2.52	Rmb2.47	Rmb2.13
Earnings per share (weighted average)	Rmb0.124	Rmb0.188	Rmb0.118
Return on net assets	4.92%	6.81%	5.52%

Prepared in accordance with PRC Accounting Standards

1. The Company recorded total profit of Rmb698,824,000, of which profit from principal operations amounted to Rmb1,034,318,000; profit from other operating activities amounted to Rmb25,431,000; net loss from non-operating activities amounted to Rmb33,383,000; the aggregate amount of expenses was Rmb327,542,000. Net cash outflow from operations was Rmb296,362,000 and net decrease in cash and cash equivalent was Rmb916,010,000.
2. The Company recorded net profit of Rmb403,743,000 under PRC Accounting Standards and net profit of Rmb366,481,000 under IAS. The difference is due to the making of retrospective adjustments to water and electricity use rights in accordance with the Accounting Regulations for Business Enterprises which became effective in the PRC on 1 January 2001. Deferred taxation of Rmb37,262,000 was written off in the financial statements prepared under IAS.

Prepared in accordance with PRC Accounting Standards (continued)

3. Major accounting data and financial indices:

Items	For the year ended 31 December		
	2001	2000	1999
	Rmb'000	Rmb'000	Rmb'000
(1) Revenue from principal operations	9,490,523	9,793,150	6,923,142
(2) Net profit	403,743	492,204	293,716
(3) Total assets	10,237,888	9,452,195	6,885,970
(4) Shareholders' funds	7,201,397	6,904,946	5,316,569
(5) Earnings per share (diluted)	Rmb0.136	Rmb0.169	Rmb0.117
(6) Earnings per share after deduction of extraordinary items	Rmb0.144	Rmb0.169	Rmb0.117
(7) Net assets per share (diluted)	Rmb2.43	Rmb2.37	Rmb2.12
(8) Adjusted net assets per share (diluted)	Rmb2.43	Rmb2.37	Rmb2.12
(9) Return on net assets	5.61%	7.13%	5.52%
(10) Ratio of shareholders' funds	70.34%	73.05%	77.55%
(11) Earnings per share (weighted average)	Rmb0.137	Rmb0.188	Rmb0.117
(12) Return on net assets	5.61%	8.30%	5.68%

Note: Changes in shareholders' funds during the reporting period (in accordance with PRC Accounting Standards):

Items	Share capital	Capital reserve	Statutory			Total shareholders' fund
			surplus reserve fund	Statutory public welfare fund	Undistributed profit	
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
	(Note 1)	(Note 2)	(Note 3)	(Note 3)	(Note 4)	
As at 1 January 2001	2,917,943	2,979,873	141,548	141,548	724,034	6,904,946
Increase during 2001	39,992	92,226	41,032	41,032	403,743	618,025
Decrease during 2001	—	—	—	—	(321,574)	(321,574)
As at 31 December 2001	2,957,935	3,072,099	182,580	182,580	806,203	7,201,397

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Prepared in accordance with PRC Accounting Standards (continued)

- Reasons for the changes:
- (1) Share capital: The Company issued convertible debentures of Rmb1.5 billion in the PRC from 15 March 2000 to 17 March 2000. Such debentures had been converted to 39,991,818 A shares from 1 January 2001 to 31 December 2001;
 - (2) The increase in capital reserve was due to premium arose as a result of the conversion of convertible debentures.
 - (3) The increase was attributable to the transfer from net profit for the year to the statutory surplus reserve fund and the statutory public welfare fund.
 - (4) The decrease in undistributed profit was due to the Company's distribution of cash dividends of Rmb0.08 per share and the transfer to the statutory surplus reserve fund and the statutory public welfare fund.
4. Return on net assets and earnings per share based on the profits for 2001 under the PRC Accounting Standards.

Profit for the reporting period	Return on net assets (%)		Earnings per share (Rmb)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	14.36	14.37	0.350	0.351
Operating profits	10.17	10.17	0.248	0.248
Net profits	5.61	5.61	0.136	0.137
Net profits after non-operating items	5.92	5.92	0.144	0.145

