

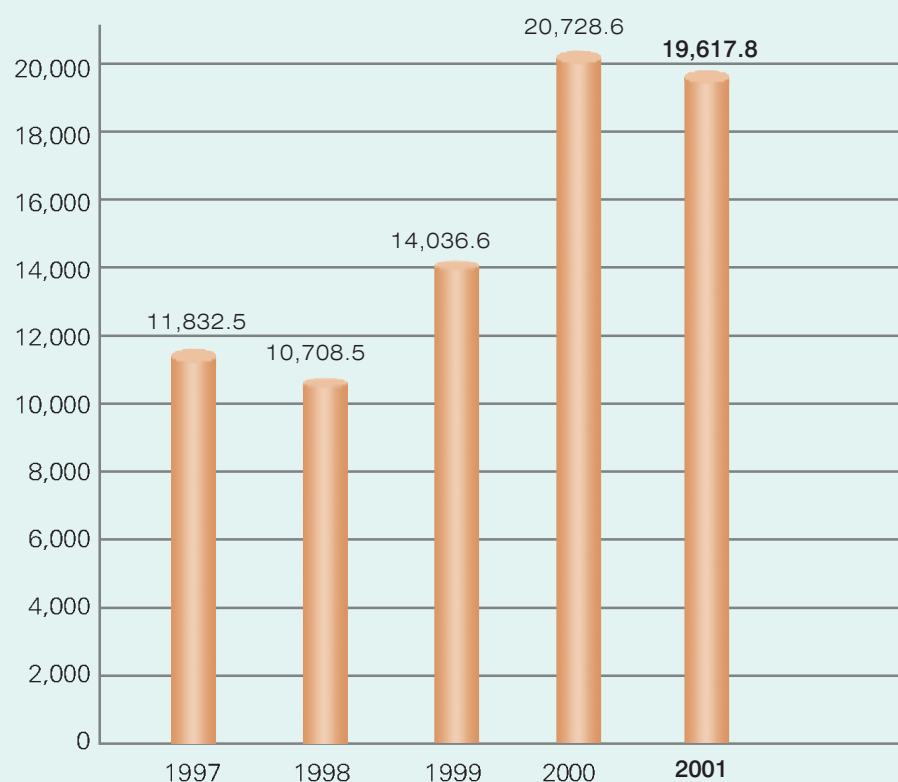
# Financial Highlights

(Prepared under International Accounting Standards)

Expressed in RMB millions	1997	1998	1999	2000	2001
Year ended 31 December:					
Net sales	11,832.5	10,708.5	14,036.6	20,728.6	<b>19,617.8</b>
Profit before tax	844.1	252.8	720.8	1,080.6	<b>145.8</b>
Profit after tax	714.4	194.0	624.7	879.8	<b>144.6</b>
Profit attributable to shareholders	726.5	237.1	605.7	856.5	<b>116.0</b>
Earnings per share	RMB0.101	RMB0.033	RMB0.084	RMB 0.119	<b>RMB0.016</b>
At 31 December:					
Shareholders' equity	12,810.3	12,615.4	13,005.1	13,501.6	<b>13,185.7</b>
Total assets	20,920.4	22,248.7	21,947.2	21,701.3	<b>24,447.5</b>
Total liabilities	8,400.5	9,595.7	9,035.1	7,919.4	<b>10,904.0</b>

## Net sales

(RMB millions)



# Financial Highlights(continued)

(Prepared under PRC Accounting Rules and Regulations)

## 1. Major business data for the year 2001

Items	RMB'000
Profit from principal operations	1,776,146
Other operating income	66,939
Operating profit	238,397
Investment income	13,953
Non-operating expenses, net	(158,841)
Total profit	93,509
Net profit	71,604
Net profit before non-operating profits/losses	206,619
Net cash flow from operating activities	2,838,737
Net decrease in cash and cash equivalents	165,519

Net profit before non-operating profits/losses reflects net profit of RMB71,604,000 adjusted for non-operating income of RMB45,052,000 and non-operating expenses of RMB203,893,000, and an adjustment of RMB23,826,000 of reduction in taxation for the above items.

## 2. Financial Indicators

### For the year ended 31 December

Financial Indicator	2001	2000	1999
(1) Income from principal operations (RMB'000)	<b>20,197,396</b>	21,277,268	14,386,482
(2) Net profit (RMB'000)	<b>71,604</b>	903,932	737,814
(3) Net profit before non-operating profits/losses (RMB'000)	<b>206,619</b>	926,278	796,084
(4) Earnings per share (RMB)	<b>0.010</b>	0.126	0.102
(5) Fully diluted return on net assets (%)	<b>0.53</b>	6.54	5.69
(6) Weighted average return on net assets (%)	<b>0.53</b>	6.75	5.78
(7) Net cash flow per share from operating activities (RMB)	<b>0.394</b>	0.409	0.432

### As at 31 December

Financial Indicator	2001	2000	1999
(8) Total assets (RMB'000)	<b>24,770,182</b>	22,099,657	21,908,455
(9) Shareholders' equity (RMB'000)	<b>13,572,495</b>	13,817,038	12,958,736
(10) Net asset value per share (RMB)	<b>1.885</b>	1.919	1.800
(11) Adjusted net asset value per share (RMB)	<b>1.867</b>	1.855	1.740

Note:

- a. The above indicators were derived from the data included in the audited accounts for 1999, 2000 and 2001. The total number of shares in issue as at 31 December 1999, 2000 and 2001 was 7,200,000,000.

### 3.Changes in Shareholders' Equity

Description	Share Capital	Capital Reserve	Surplus Reserve	(Of which:		Retained Earnings	Total
				Statutory Public Welfare Fund)			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As previously reported	7,200,000	2,856,278	2,928,616	741,962		832,144	13,817,038
Less: Housing revolving fund write-off	-	-	-	-		(316,147)	(316,147)
At beginning of the year (Restated)	7,200,000	2,856,278	2,928,616	741,962		515,997	13,500,891
Increase during the year	-	-	14,320	7,160		71,604	85,924
Decrease during the year	-	-	-	-		(14,320)	(14,320)
At end of the year	7,200,000	2,856,278	2,942,936	749,122		573,281	13,572,495

Note:

- (i) Statutory public welfare fund is included in the surplus reserve
- (ii) Undistributed profit at beginning of the year has been restated. Please refer to note 2 of the financial report prepared under PRC accounting rules and regulations.

In 2001, the Company recorded a consolidated net profit of RMB71,604,000, out of which RMB7,160,000 each was transferred to the statutory surplus reserve and statutory public welfare fund, respectively.

#### 4. The return on net assets and earnings per share prepared in compliance with the “Regulation on the preparation of information disclosures of companies issuing public shares, No. 9” issued by China Securities Regulatory Commission are as follows:

Profit for the reporting period	Return on net assets		Earnings per share	
	Fully diluted	Weighted average	Fully diluted	Weighted average
	(%)	(%)	RMB	RMB
Profit from principal operations	13.09	13.12	0.247	0.247
Operating profit	1.76	1.76	0.033	0.033
Net profit	0.53	0.53	0.010	0.010
Net profit before non-operating profits/losses	1.52	1.53	0.029	0.029

Fully diluted return on net assets = profit for the reporting period/net assets at the end of the period x 100%

Weighted average return on net assets = profit for the reporting period/((net assets at the beginning of the period + net assets at the end of the period)/2) x 100%

Fully diluted earnings per share = profit for the reporting period/number of shares issued at the end of the period

Weighted average earnings per share = profit for the reporting period/((number of shares issued at the beginning of the period + number of shares issued at the end of the period)/2)



## Financial Highlights(continued)

(Prepared under PRC Accounting Rules and Regulations)

### 5. Consolidated statement of impairment of assets

Year ended 31 December 2001

	As at 1 January 2001 RMB'000	Addition for the year RMB'000	Write-off for the year RMB'000	As at 31 December 2001 RMB'000
(1) Total provision for bad debts	26,571	10,964	(56)	37,479
of which: Trade debtors	25,371	8,437	(56)	33,752
Other debtors	1,200	2,527	-	3,727
(2) Total provision for diminution in inventories	19,717	6,975	(3,381)	23,311
of which: Finished goods	1,637	6,975	-	8,612
Spare parts and consumables	18,080	-	(3,381)	14,699
(3) Total provision for impairment losses of long-term investments	7,863	1,960	(5,055)	4,768
of which: Long-term equity investments	7,863	1,960	(5,055)	4,768

### 6. Changes in the financial statements of the Group

(Details of reporting items with annual changes of 30% or more, and occupying 5% or more of net assets for the reporting periods or 10% or more of net profits reported of the Company, together with reasons for the change)

Item	As at 31 December 2001 RMB'000	As at 31 December 2000 RMB'000	Change %	Reason for change
Long-term equity investments	1,527,096	1,146,155	33.24	Increase in external investments
Construction in progress	4,276,591	2,107,357	102.94	Increase in capital expenditure on Phase IV and other projects
Short term loans	3,029,500	2,306,500	31.35	Increase in operating funds requirements
Bills payable	1,298,941	569,414	128.12	Increase in the use of bank bills to settle purchases
Trade creditors	760,703	1,181,462	-35.61	Increase in the use of bank bills to settle purchases
Long-term loans	3,463,747	1,863,776	85.85	Increase in capital expenditure on Phase IV and other projects

Item	Year ended 31 December		Change %	Reason for change
	2001 RMB'000	2000 RMB'000		
Income from principal operations	1,776,146	2,788,864	-36.31	Reduction in product selling price
Non-operating expenses	203,893	52,367	289.35	Payments for increased employee redundancy costs