

II. Major Financial Data and Indicators (unaudited)

- 1) For the six months ended 30 June 2002, the Company recorded a net profit of Rmb194,630,000 based on the International Financial Reporting Standards (“IFRS”) and a net profit of Rmb190,920,000 based on the PRC Accounting Rules and Regulations. The net profit recorded under IFRS was Rmb3,710,000 more than that recorded under the PRC Accounting Rules and Regulations. The difference was a result of (1) a reduction of profit by Rmb2,108,000 due to the write off of pre-operating expenses; (2) a reduction of profit by Rmb1,827,000 due to deferred taxation; (3) an increase of profit by Rmb2,268,000 due to the write back of the amortisation of land use rights; and (4) an increase of profit by Rmb5,377,000 due to the capitalisation of interests.
- 2) Major financial data:

Prepared in accordance with IFRS

Unit: Rmb'000

Items	For the six months ended 30 June	
	2002	2001 (restated)
Profit attributable to shareholders	194,630	160,003
Earnings per share		
— Basic	Rmb 0.066	Rmb 0.054
— Diluted	Rmb 0.066	Rmb 0.054
Return on net assets (%)	2.68	2.22

Items	At	At
	30 June 2002	31 December 2001
Total assets	10,932,641	10,101,922
Gearing ratio(%)	33.53	27.70
Shareholders' funds	7,267,252	7,303,742
Net asset per share	Rmb 2.46	Rmb 2.47
Adjusted net asset per share	Rmb 2.46	Rmb 2.47

The 2001 figures were restated due to the following. Pursuant to the requirement under the PRC "Accounting Regulations for Business Enterprises", the water and electricity use rights, which were capitalised as intangible assets with a total carrying value of Rmb112,915,000 as at 31 December 2000 had to be retrospectively written off in the financial statements prepared under the PRC Accounting Rules and Regulations and the related tax benefits of Rmb37,262,000 would no longer exist. Upon the issuance of interim financial report for the six months ended 30 June 2001, the Company sought approval from the Ministry of Finance of the PRC to continue to treat the water and electricity use rights as intangible assets under the PRC "Accounting Regulations for Business Enterprises". The proposed treatment was not approved by the Ministry of Finance and the deferred tax assets of Rmb37,262,000 as at 31 December 2000 were written off in the second half of 2001.

Prepared under PRC Accounting Rules and Regulations (unaudited)

Unit: Rmb'000

Items	For the six months ended 30 June	
	2002	2001
		<i>(restated)</i>
Net profit	190,920	197,265
Net profit after extraordinary items	190,920	197,265
Earnings per share	Rmb 0.065	Rmb 0.067
Return on net assets (%)	2.58	2.68

Items	At 30 June 2002	At 31 December 2001
Total assets	11,064,516	10,237,888
Gearing ratio (%)	33.14	29.66
Shareholders' funds	7,398,139	7,201,397
Net asset per share	Rmb 2.50	Rmb 2.43
Adjusted net asset per share	Rmb 2.50	Rmb 2.43

Differences between financial statements prepared under PRC Accounting Rules and Regulations and IFRS

Impact of adjustments under IFRS on net profit and net assets:

Unit: Rmb'000

Items	Net Profit For the six months ended 30 June 2002	Net Assets At 30 June 2002
Amount under PRC		
Accounting Rules and Regulations	190,920	7,398,139
Adjusted items under IFRS		
1. Discount and interests capitalised		
for convertible debentures	—	7,765
2. Deferred taxation	(1,827)	64,467
3. Pre-operating expenses	(2,108)	(2,108)
4. Interests capitalised	5,377	5,377
5. Write back on revaluation of land use right	2,268	(206,388)
Amount under IFRS	194,630	7,267,252