

FINANCIAL HIGHLIGHTS

Prepared under PRC Accounting Rules and Regulations (unaudited)

(A) Major business data for the first half of 2002

Items	RMB'000
Profit from principal operations	1,184,762
Other operating income	58,733
Operating profit	295,448
Investment income	18,454
Non-operating expenses, net	(46,355)
Net cash flow from operating activities	1,058,324
Net increase in cash and cash equivalents	137,352

(B) Financial indicators

Items	Six-month periods ended 30 June	
	2002	2001
Income from principal operations (RMB'000)	9,523,023	9,760,097
Net profit (RMB'000)	203,369	140,595
Net profit before non-operating income/expenses* (RMB'000)	242,771	215,644
Fully diluted return on net assets (%)	1.476	1.031
Weighted average return on net assets (%)	1.487	1.024
Fully diluted earnings per share (RMB)	0.028	0.020
Weighted average earning per share (RMB)	0.028	0.020
Net cash flow per share from operating activities (RMB)	0.147	0.002

- * Net profit before non-operating income/expenses reflects net profit of RMB203,369,000 adjusted for non-operating income of RMB5,270,000 and non-operating expenses of RMB51,625,000, and an adjustment of RMB6,953,000 of reduction in taxation of the above items.

Items	At 30 June 2002	At 31 December 2001 (audited)
Total assets(RMB'000)	26,888,590	24,770,182
Assets/liabilities ratio(%) (total liabilities/total assets) × 100%	47.38	43.76
Shareholders' equity (RMB'000) (excluding minority interests)	13,775,864	13,572,495
Net asset value per share (RMB)	1.913	1.885
Adjusted net asset value per share (RMB)	1.894	1.867

(C) Appendix to income statement

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 follows:

	Return on net assets				Earnings per share				
	Fully diluted		Weighted average		Fully diluted		Weighted average		
	Six-month period ended 30 June	2002	2001	Six-month period ended 30 June	2002	2001	Six-month period ended 30 June	2002	2001
Profit for the reporting periods	%	%	%	%	RMB	RMB	RMB	RMB	
Profit from principal operations	8.60	7.38	8.66	7.33	0.17	0.14	0.17	0.14	
Operating profit	2.15	2.04	2.16	2.03	0.04	0.04	0.04	0.04	
Net profit	1.48	1.03	1.49	1.02	0.03	0.02	0.03	0.02	
Net profit before non-operating income/expenses	1.76	1.58	1.78	1.57	0.03	0.03	0.03	0.03	

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)

Note:

The above indicators were derived from the unaudited figures in the 2001 and 2002 interim reports. The weighted average number of shares in issue during the periods ended 30 June 2001 and 2002 was 7,200,000,000. The total number of shares was based on the 7,200,000,000 shares issued as at 31 December 2001 and 30 June 2002.

(D) Consolidated statement of impairment of assets

	At 30 June 2002 RMB'000	At 31 December 2001 RMB'000
(1) Total provision for bad debts	37,346	37,479
of which: Trade debtors	33,407	33,752
Other debtors	3,939	3,727
(2) Provision for diminution in inventories	29,302	23,311
(3) Provision for impairment losses of long-term investments	4,768	4,768

(E) Changes in the financial reporting items of the Group

(Details of reporting items with 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 Group, together with reasons for the change)

Item	At 30 June 2002 RMB'000	At 31 December 2001 RMB'000	Change %	Reason for change
	Construction in progress	2,467,217		
Bills payable	1,704,253	1,298,941	31.20%	Increase in the use of bank bills to settle purchases

Item	Six-month periods ended 30 June		Change %	Reason for change
	2002 RMB'000	2001 RMB'000		
Non-operating expenses	51,625	98,404	-47.54%	Payments for employee reduction plan in 2001
Financial expenses	177,843	130,908	35.85%	Increase in loan balance
Net profit	203,369	140,595	44.65%	Increase in realized profits