

Financial and Business Highlights

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

	For the year ended 31 December		
	The Group	The Company	The Company
	2002	2001	2000
	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
Turnover	10,746,477	9,465,247	9,767,600
Profit before taxation	857,482	698,824	754,877
Taxation	259,166	332,343	263,482
Net profit	598,316	366,481	491,395
Total assets	12,293,565	10,101,922	9,487,198
Total liabilities	4,619,310	2,798,180	2,267,402
Shareholders' funds	7,647,255	7,303,742	7,219,796
Net assets per share	Rmb2.58	Rmb2.47	Rmb2.47
Earnings per share (weighted average)	Rmb0.202	Rmb0.124	Rmb0.188
Return on net assets	7.82%	5.02%	6.81%

PREPARED IN ACCORDANCE WITH PRC ACCOUNTING RULES AND REGULATIONS

- The Group's main accounting data for the year ended 31 December 2002:

Items	Unit: Rmb'000	
	Amount	
Total profit	851,999	
Net profit	594,588	
Net profit before deduction of non-operating items	612,937	
Profit from principal operations	1,272,680	
Profit from other operations	30,270	
Operating profit	879,386	
Proceeds from investment	0	
Income from subsidies	0	
Non-operating net income/(expenses)	(27,387)	
Net cash flow arising from operating activities	2,098,928	
Net increase and decrease in cash and cash equivalents	940,822	

Notes: Items and amounts of non-operating items deducted by the Group during the Reporting Period (Unit: Rmb'000):

- Non-operating income 522;
- Non-operating expenses 27,909;
- Relevant income tax 9,038.

Financial and Business Highlights *(Continued)*

PREPARED IN ACCORDANCE WITH PRC ACCOUNTING RULES AND REGULATIONS *(continued)*

2. The Company recorded net profit of Rmb594,588,000 under PRC Accounting Rules and Regulations and net profit of Rmb598,316,000 under IFRS for the year. The difference was Rmb3,728,000. Profit increased by Rmb4,536,000 in amortisation due to writing off of intangible assets. Profit increased by Rmb7,925,000 due to capitalisation of interest. Profit decreased by Rmb7,143,000 due to the pre-operating expenses of jointly controlled entity. Profit increased by Rmb165,000 due to the written off of payables. Profit decreased by Rmb1,755,000 due to relevant taxes.
3. Major accounting data and financial indices of the Group for the recent three years:

Items	For the year ended 31 December		
	The Group 2002 Rmb'000	The Company 2001 Rmb'000	The Company 2000 Rmb'000
(1) Income from principal operations	10,771,077	9,490,523	9,793,150
(2) Total profit	851,999	698,824	754,877
(3) Net profit	594,588	403,743	492,204
(4) Net profit before deduction of non-operating items	612,937	426,110	495,248
(5) Total assets	12,425,350	10,237,888	9,452,195
(6) Shareholders' funds	7,509,361	7,201,397	6,904,946
(7) Net cash flows from operating activities	2,098,928	-296,362	890,230
(8) Earnings per share (weighted average)	Rmb0.20	Rmb0.137	Rmb0.188
(9) Earnings per share (diluted)	Rmb0.20	Rmb0.136	Rmb0.169
(10) Net assets per share	Rmb2.54	Rmb2.43	Rmb2.37
(11) Adjusted net assets per share	Rmb2.53	Rmb2.43	Rmb2.37
(12) Return on net assets (diluted)	7.92%	5.61%	7.13%
(13) Return on net assets (weighted average)	7.92%	5.61%	8.30%
(14) Ratio of shareholders' funds	60.44%	70.34%	73.05%
(15) Net cash flows per share from operating activities	Rmb0.71	Rmb-0.10	Rmb0.31

Return on net assets and earnings per share for the reporting period of 2002 as calculated in accordance with the "Regulations for Preparation and Reporting of Information Disclosure by Listed Companies (No.9)" issued by China Securities Regulatory Commission

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	16.95	16.96	0.43	0.43
Operating profit	11.71	11.72	0.30	0.30
Net profit	7.92	7.92	0.20	0.20
Net profit after deduction of non-operating items	8.16	8.17	0.21	0.21

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

Items	Share capital	Capital reserve	Surplus reserve	Statutory public welfare fund	Undistributed profit	Unit: Rmb'000
						Total shareholders' fund
As at 1 January 2002	2,957,935	3,072,099	365,160	182,580	806,203	7,201,397
Increase during 2002	2,939	6,594	118,918	59,459	594,588	723,039
Decrease during 2002	—	—	—	—	415,075	415,075
As at 31 December 2002	2,960,874	3,078,693	484,078	242,039	985,716	7,509,361

Financial and Business Highlights *(Continued)*

PREPARED IN ACCORDANCE WITH PRC ACCOUNTING RULES AND REGULATIONS *(continued)*

3. Major accounting data and financial indices of the Group for the recent three years: *(continued)*

- Reasons for the changes:
- (1) Share capital: The Company issued convertible debentures for A shares of Rmb1.5 billion in the PRC from 15 March 2000 to 17 March 2000. Such debentures had been converted into 2,938,530 A shares during the period from 1 January 2002 to 31 December 2002;
 - (2) The increase in capital reserve was due to premium arising as a result of the conversion of convertible debentures;
 - (3) Surplus reserve increased due to the contribution of 10% of the net profit to the statutory surplus reserve and statutory public welfare fund respectively;
 - (4) The increase in undistributed profit was due to the net profit generated in the current year. The decrease was due to the contribution of 10% to the statutory surplus reserve and statutory public welfare fund as well as the distribution of dividends at Rmb0.10 per share.

