

**1. Summary of the principal financial information and financial indicators of the Group:****1.1 Extracted from the financial statements prepared in accordance with International Financial Reporting Standards ("IFRS")**

	For the year ended 31 December or as at 31 December				
	2002	2001	2000	1999	1998
	Rmb'000	Rmb'000	Rmb'000	Rmb'000	Rmb'000
Turnover	8,009,669	7,808,658	9,014,472	7,075,579	5,633,522
Profit/(loss) from ordinary activities before taxation	156,745	213,375	985,493	921,454	(161,397)
Income tax expense	7,156	40,087	139,391	129,211	1,111
Minority interests	5,268	2,499	5,874	15,176	6,717
Profit/(loss) attributable to shareholders	144,321	170,789	840,228	777,067	(169,225)
Total assets	12,003,096	11,021,100*	11,368,442	11,509,922	11,974,121
Total liabilities	3,179,823	2,265,706	2,233,757	2,775,946	4,023,844
Shareholders' funds (excluding minority interests)	8,765,795	8,701,474*	9,078,433	8,678,205	7,901,138
Minority interests	57,478	53,920	56,252	55,771	49,139
Basic earnings/(loss) per share	Rmb0.036	Rmb0.043	Rmb0.210	Rmb0.194	Rmb(0.042)
Net assets per share	Rmb2.191	Rmb2.175*	Rmb2.270	Rmb2.170	Rmb1.975
Ratio of shareholders' funds	73.03%	78.95%*	79.86%	75.40%	65.99%
Return on net assets	1.65%	1.96%*	9.26%	8.95%	(2.14%)

* These figures have been adjusted for the reclassification of land use rights in the 2002 financial statements. Details are set out in note 24 of the financial statements prepared in accordance with IFRS.



1. Summary of the principal financial information and financial indicators of the Group: (Continued)

1.2 Extracted from the financial statements prepared in accordance with the PRC Accounting Rules and Regulations

	For the year ended 31 December or as at 31 December				
	2002 Rmb'000	2001 Rmb'000	Increase/ (decrease) compared to last year (%)	Adjusted Rmb'000	2000 Before adjusted Rmb'000
Income from principal operations	8,009,669	7,808,658	3	9,014,472	9,014,472
Net profit	139,833	170,789	(18)	840,228	840,228
Total assets	12,179,002	11,201,494	9	11,361,088	11,361,088
Shareholders' funds (excluding minority interests)	8,881,701	8,801,868	1	8,711,079*	8,821,079
Earnings per share	Rmb0.035	Rmb0.043	(18)	Rmb0.210	Rmb0.210
Return on net assets	1.57%	1.94%	(19)	9.65%*	9.53%
Return on net assets before non-operating loss (weighted average)	1.59%#	2.80%#	(43)	10.59%*	10.46%
Net assets per share	Rmb2.220	Rmb2.200	1	Rmb2.178*	Rmb2.205
Adjusted net assets per share	Rmb2.220	Rmb2.198	1	Rmb2.156	Rmb2.154
Net cash inflow from operating activities per share	Rmb0.367	Rmb0.186	97	Rmb0.528	Rmb0.528

* These figures have been adjusted as a result of the change in accounting policy for Housing Revolving Fund. Details are set out in note 3 of the 2001 financial statements prepared in accordance with the PRC Accounting Rules and Regulations.

These figures have been calculated based on the non-operating loss (net of tax). 2000's figures have been calculated based on the non-operating loss before tax.

2. Details of the Group's results for the year ended 31 December 2002 (Extracted from the financial statements prepared in accordance with the PRC Accounting Rules and Regulations)

(Expressed in Rmb'000)

Profit from principal operations	713,856
Loss from other operations	1,657
Operating profit	147,604
Net investment income	6,293
Net non-operating expenses	2,432
Total profit	151,465
Net profit before non-operating loss	141,329
Non-operating loss (after taxation) – loss on disposal of fixed assets	1,496
Net profit	139,833
Net cash flow from operating activities	1,468,024
Net increase in cash and cash equivalents	45,627



3. Supplementary schedule for the income statement prepared in accordance with the PRC Accounting Rules and Regulations

Profit during the reporting period	Return on net assets (%)		Earnings per share (Rmb)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Income from principal operations	8.04	8.05	0.178	0.178
Operating profit	1.66	1.66	0.037	0.037
Net profit	1.57	1.58	0.035	0.035
Net profit before non-operating loss	1.59	1.59	0.035	0.035

4. Changes in shareholders' funds during the reporting period (Extracted from the financial statements prepared in accordance with the PRC Accounting Rules and Regulations)

Item	Share capital	Capital reserve	Surplus reserves**	Statutory public welfare fund*	Undistributed profits***	Total shareholders' funds
	(Rmb'000)	(Rmb'000)	(Rmb'000)	(Rmb'000)	(Rmb'000)	(Rmb'000)
At the beginning of the year	4,000,000	3,078,825	1,334,237	288,464	388,806	8,801,868
Increase for the year	-	-	26,576	12,689	139,833	166,409
Decrease for the year	-	-	-	-	(86,576)	(86,576)
At the end of the year	<u>4,000,000</u>	<u>3,078,825</u>	<u>1,360,813</u>	<u>301,153</u>	<u>442,063</u>	<u>8,881,701</u>

* The statutory public welfare fund forms part of the surplus reserves.

** Changes in the surplus reserves during the reporting period represents the transfer of Rmb26,576,000 from the income statement.

*** Changes in undistributed profits during the reporting period represents the Group's net profit of Rmb139,833,000, offset by the transfer of Rmb26,576,000 to surplus reserves and the proposed final cash dividend of Rmb60,000,000.

5. Consolidated statement of impairment of assets (Extracted from the financial statements prepared in accordance with the PRC Accounting Rules and Regulations)

	At 1 January 2002	Increase for the year	Decrease for the year	At 31 December 2002
	Rmb'000	Rmb'000	Rmb'000	Rmb'000
1. Total provisions for bad and doubtful debts	51,977	5,091	(22,614)	34,454
Including: Trade receivables	16,563	5,091	(10,822)	10,832
Other receivables	35,414	-	(11,792)	23,622
2. Total provision for diminution in value of inventories	44,143	21,000	(17,957)	47,186
Including: Raw materials	1,800	7,000	-	8,800
Finished goods	12,600	14,000	(17,957)	8,643
Spare parts and consumables	29,743	-	-	29,743



6. Changes in the financial statements items (Extracted from the financial statements prepared in accordance with the PRC Accounting Rules and Regulations)

Item	At 31	At 31	Change	Reason for change
	December 2002	December 2001		
	<i>Rmb'000</i>	<i>Rmb'000</i>	%	
Other receivables	42,290	61,469	(31)	Improvement in the credit risk management of the Company during the year
Advance payments	50,712	77,376	(34)	Increase in settlement of the advance payments at the year end
Construction in progress	1,021,353	323,673	216	Increase in construction expenditure incurred on projects, such as PTA project
Construction materials	614,652	427,475	44	Increase in purchase of the related materials for construction projects
Long-term deferred expenses	3,361	8,426	(60)	Amortisation of long-term deferred expenses during the year
Bills payable	683,528	5,000	13,571	Substantial purchase of raw materials according to the production schedule at the year end
Trade payables	349,404	261,122	34	Substantial purchase of raw materials according to the production schedule at the year end
Receipts in advance	153,184	113,361	35	Early purchase by customers as a result of Spring Festival
Taxes payable	142,246	256,396	(45)	Decrease in total profit and payment of taxes relating to previous years
Other creditors	232,755	165,427	41	Increase in retention money resulted from the completion of certain projects
Long-term liabilities	300,000	500,000	(40)	Part of the loans due in 2003



6. Changes in the financial statements items (Extracted from the financial statements prepared in accordance with the PRC Accounting Rules and Regulations) (Continued)

Item	2002	2001	Change	Reason for change
	<i>Rmb'000</i>	<i>Rmb'000</i>		
Operating profit	147,604	276,745	(47)	Decrease in margin caused by reduction in product price
Total profit	151,465	213,375	(29)	Decrease in margin caused by reduction in product price
Administrative expenses	362,589	277,510	31	Increase in expenses such as R&D expenses
Income tax	6,364	40,087	(84)	Decrease in total profit and tax credit relating to the purchase of equipment produced in the PRC
Minority interests	5,268	2,499	111	Increase in the profit of the subsidiaries
Non-operating income	6,868	28,037	(76)	Write back of payables in the previous year
Non-operating expenses	9,300	97,450	(90)	Employee reduction expenses incurred in the previous year

7. Differences in net profit between the financial statements of the Group and the Company prepared in accordance with the PRC Accounting Rules and Regulations and IFRS

	PRC Accounting		IFRS	
	Rules and Regulations			
	The Group	The Company	The Group	The Company
	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
Net profit	139,833	138,869	144,321	143,357

For detailed explanations of differences, please refer to the section on "Significant Differences Between the Financial Statements of the Group and the Company Prepared in Accordance with the PRC Accounting Rules and Regulations and IFRS" of this annual report.