

II. MAJOR FINANCIAL DATA AND INDICATORS (UNAUDITED)

1. For the six months ended 30 June 2003, the Company recorded a net profit of Rmb620,352,000 based on the International Financial Reporting Standards (“IFRS”) and a net profit of Rmb620,390,000 based on the PRC Accounting Rules and Regulations. The net profit recorded under IFRS was Rmb38,000 less than that recorded under the PRC Accounting Rules and Regulations. The difference was a result of (1) a reduction of profit by Rmb10,539,000 due to the pre-operating expenses of a joint venture factory; (2) an increase of profit by Rmb8,326,000 due to the capitalisation of interests; (3) an increase of profit by Rmb2,268,000 due to the write back of the amortisation of land use rights; (4) an increase of profit by Rmb76,000 due to the acceptance of donated assets; (5) a reduction of profit by Rmb226,000 due to the amortisation of rental prepayments for the joint venture factory; and (6) an increase of profit by Rmb57,000 due to deferred taxation.

2. Major financial data

Prepared in accordance with IFRS*Unit: Rmb'000***For the six months
ended 30 June**

	2003	2002
Items		
Profit attributable to shareholders	620,352	194,630
Earnings per share		
— Basic	Rmb0.210	Rmb0.066
— Diluted	Rmb0.209	Rmb0.066
Return on net assets (%)	7.75	2.68

	At	At
Items	30 June	31 December
	2003	2002
Total assets	13,019,359	12,293,565
Gearing ratio(%)	38.55	37.58
Shareholders' funds	8,000,571	7,674,255
Net assets per share	Rmb2.70	Rmb2.58

Prepared in accordance with the PRC Accounting Rules and Regulations

Unit: Rmb'000

**For the six months
ended 30 June**

	2003	2002
Items		
Net profit	620,390	190,920
Net profit after extraordinary items	660,886	190,920
Earnings per share	Rmb0.209	Rmb0.065
Return on net assets (%)	7.63	2.58

	As at 30 June 2003	As at 31 December 2002
Items		
Total assets	13,219,615	12,425,350
Gearing ratio (%)	38.49	37.18
Shareholders' funds	8,131,948	7,805,448
Net assets per share	Rmb2.75	Rmb2.64
Adjusted net assets per share	Rmb2.74	Rmb2.63

3. Differences between financial statements prepared under the 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 2003	Net Assets as at 30 June 2003
Amount under the PRC		
Accounting Rules and Regulations	620,390	8,131,948
Adjusted items under IFRS		
1. Pre-operating expenses of the joint venture factory	-10,539	-17,494
2. Interests capitalised	8,326	16,251
3. Land use rights	—	-201,852
4. Interests on convertible debentures	—	7,063
5. Discount of convertible debentures	—	360
6. Amortisation of land use rights	2,268	—
7. Donations	76	—
8. Amortisation of rental prepayments of the joint venture factory	-226	-414
9. Deferred taxation	57	64,709
Amount under IFRS	620,352	8,000,571