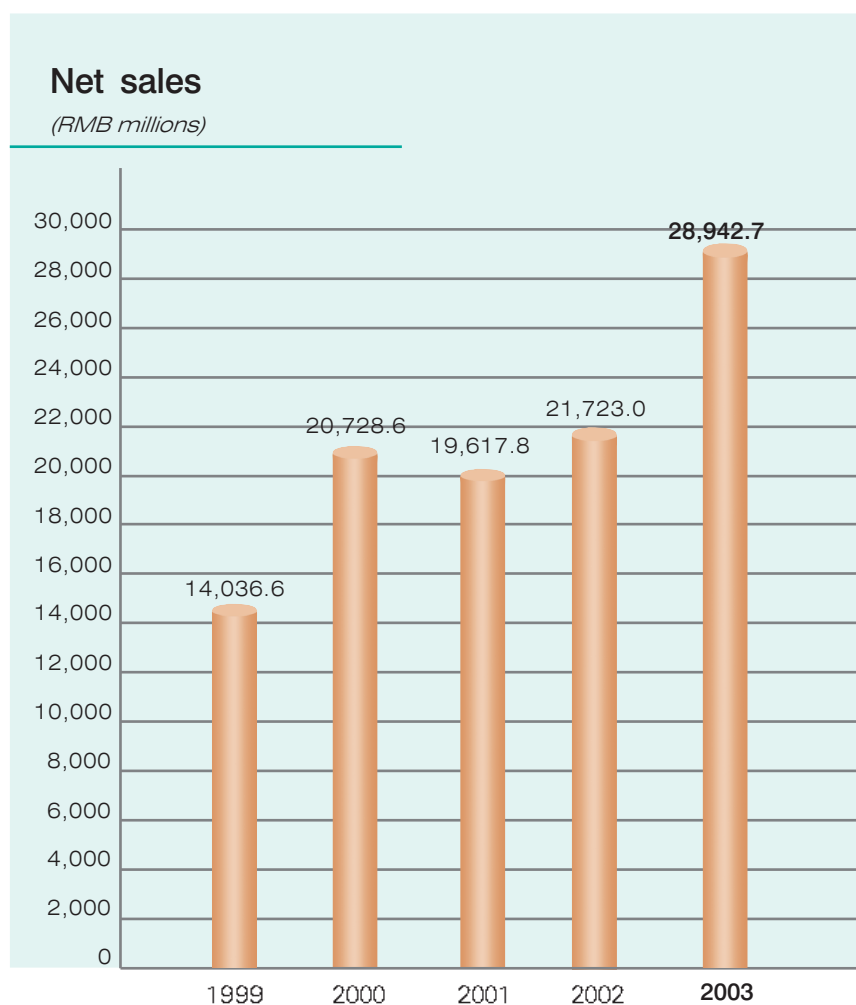


# Financial Highlights

(Prepared under International Financial Reporting Standards)

Expressed in RMB millions	1999	2000	2001	2002	2003
Year ended 31 December:					
Net sales	14,036.6	20,728.6	19,617.8	21,723.0	<b>28,942.7</b>
Profit before tax	720.8	1,080.6	145.8	1,045.0	<b>1,590.4</b>
Profit after tax	624.7	879.8	144.6	960.5	<b>1,445.3</b>
Profit attributable to shareholders	605.7	856.5	116.0	916.4	<b>1,401.7</b>
Earnings per share	RMB0.084	RMB 0.119	RMB0.016	RMB0.127	<b>RMB0.195</b>
At 31 December:					
Shareholders' equity	13,005.1	13,501.6	13,063.8	13,980.2	<b>15,021.9</b>
Total assets	21,947.2	21,701.3	24,325.6	26,085.9	<b>27,101.5</b>
Total liabilities	9,035.1	7,919.4	10,904.0	11,739.0	<b>11,738.4</b>



# Financial Highlights

(Prepared under PRC Accounting Rules and Regulations)

## 1. Major business data

RMB'000

Item	2003	For the years ended 31 December		
		2002	Increase/decrease compared to the previous year(%)	2001
Income from principal operations	<b>29,567,140</b>	22,322,896	32.45	20,197,396
Total profit	<b>1,576,602</b>	1,036,238	52.14	93,509
Net profit	<b>1,385,556</b>	908,965	52.43	71,604
Net profit excluding non-recurring items	<b>1,485,198</b>	1,009,815	47.08	206,619
Net cash flow from operating activities	<b>2,692,641</b>	2,322,574	15.93	2,838,737

Item	2003	As at 31 December			2001
		2002		Increase/ decrease compared to last year	
		<sup>(1)</sup> (After adjustment)	(Before adjustment)	(after adjustment)(%)	
Current assets	<b>7,993,651</b>	6,945,672	6,945,672	15.09	6,229,230
Current liabilities	<b>8,479,655</b>	7,065,576	7,425,576	20.01	7,307,037
Total assets	<b>27,580,828</b>	26,562,285	26,562,285	3.83	24,770,182
Shareholders' equity (excluding minority interest)	<b>15,507,016</b>	14,481,460	14,121,460	7.08	13,572,495

Non-recurring items		2003
		RMB'000
Non-operating income		19,376
Non-operating expenses		(202,984)
Loss on disposal of subsidiaries		(7,229)
Reversal of provisions		73,611
Tax adjustments for the above items		17,584
<b>Total</b>		<b>(99,642)</b>

## Financial Highlights (continued)

(Prepared under PRC Accounting Rules and Regulations)

### 2. Financial indicators

Item	For the years ended 31 December					
	2003	2002			Increase/decrease compared to last year (after adjustment) (%)	2001
		( <sup>1</sup> ) (After adjustment)	(Before adjustment)	(Before adjustment)		
Earnings per share (RMB)	<b>0.192</b>	0.126	0.126	52.38	0.010	
Return on net assets (%)	<b>8.94</b>	6.28	6.44	42.04	0.53	
Return on net assets based on net profit excluding non-recurring items %(fully diluted)	<b>9.58</b>	6.97	7.15	37.35	1.53	
Return on net assets based on net profit excluding non-recurring items %(weighted average)	<b>9.91</b>	7.20	7.29	37.64	1.53	
Net cash flow per share from operating activities (RMB)	<b>0.374</b>	0.323	0.323	15.79	0.394	

Item	For the years ended 31 December					
	2003	2002			Increase/ decrease compared to last year (after adjustment) (%)	2001
		( <sup>1</sup> ) (After adjustment)	(Before adjustment)	(Before adjustment)		
Net asset value per share (RMB)	<b>2.154</b>	2.011	1.961	7.26	1.885	
Adjusted net asset value per share (RMB)	<b>2.149</b>	1.996	1.946	7.81	1.867	

Notes:

- (1) The Company adopted the revised "Accounting Regulations for Business Enterprises - Post Balance Sheet Events" that resulted in a change in accounting policy which has been applied retrospectively (please refer to note 2 to the financial statements prepared under PRC Accounting Rules and Regulations).
- (2) The above indicators were derived from the data included in the audited financial statements for 2001, 2002 and 2003. The total number of shares in issue as at 31 December 2001, 2002 and 2003 was 7,200,000,000.

### 3. Changes in Shareholders' Equity

Description	Share	Capital	Surplus	(Of which:	Retained	Total
	Capital	Reserve	Reserve	Statutory Public Welfare Fund)	Earnings	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Beginning of the year	7,200,000	2,856,278	3,124,730	840,019	1,300,452	14,481,460
Increase during the year	-	-	277,112	138,556	1,385,556	1,662,668
Decrease during the year	-	-	-	-	(637,112)	(637,112)
End of the year	7,200,000	2,856,278	3,401,842	978,575	2,048,896	15,507,016

Note:

- (i) The statutory public welfare fund is included in the surplus reserve.
- (ii) In 2003, the Company recorded a consolidated net profit of RMB 1,385,556,000, out of which RMB138,556,000 each was transferred to each of the statutory surplus reserve and statutory public welfare fund, respectively.
- (iii) A final dividend of RMB 0.05 per share totalling RMB 360,000,000 was approved and paid during the year for 2002.

### 4. Return on net assets and earnings per share prepared in compliance with the "Regulation on the preparation of information disclosures by companies publicly issuing securities, No. 9" issued by the China Securities Regulatory Commission:

Profit for the reporting period	Return on net assets		Earnings per share	
	Fully diluted	Weighted average	Fully diluted	Weighted average
	(%)	(%)	RMB	RMB
Profit from principal operations	23.86	24.68	0.514	0.514
Operating profit	11.24	11.62	0.242	0.242
Net profit	8.94	9.24	0.192	0.192
Net profit excluding non-recurring items	9.58	9.91	0.206	0.206

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)

## Financial Highlights (continued)

(Prepared under PRC Accounting Rules and Regulations)

### 5. Consolidated statement of assets provisions

Year ended 31 December 2003

	As at 1 January 2003 RMB'000	Increase for the year RMB'000	Write-off for the year RMB'000	As at 31 December 2003 RMB'000
(1) Total provision for bad debts	66,581	42,496	(62,590)	46,487
of which: Trade debtors	43,339	33,644	(37,172)	39,811
Other debtors	23,242	8,852	(25,418)	6,676
(2) Total provision for diminution in inventories	26,672	49,560	(7,721)	68,511
of which: Finished goods	9,048	1,415	(6,566)	3,897
Spare parts and consumables	17,624	48,145	(1,155)	64,614
(3) Total provision for impairment losses of long-term investments	9,658	25,430	(3,300)	31,788
of which: Long-term equity investments	9,658	25,430	(3,300)	31,788
(4) Total provision for impairment losses of fixed assets	-	24,600	-	24,600
of which: Plant, machinery, equipment and other fixed assets	-	24,600	-	24,600

## 6. Changes in the financial statements of the Group

(Details of reporting items with annual changes of 30% or more, and occupying 5% or more of total assets for the reporting periods or 10% or more of net profits reported of the Company, together with reasons for the change)

Item	As at 31 December 2003 RMB'000	As at 31 December 2002 RMB'000	Change %	Reason for change
Short-term loan	4,575,588	3,224,726	41.89	Due to the Group's increased demand for working capital as a result of the growth of production volume
Long-term loan	3,206,848	4,590,891	-30.15	Due to the Group's reduced financing needs for capital expenditure after the completion of Phase IV Project and other major capital expansion projects

Item	Year ended 31 December 2003 RMB'000	Year ended 31 December 2002 RMB'000	Change %	Reason for change
Income from principal operations	29,567,140	22,322,896	32.45	Increases in prices and output of the products
Cost of sales	25,242,197	18,743,107	34.67	Increase in products output
Income from operations	1,742,637	1,096,517	58.92	Increases in prices and output of the products
Net profit	1,385,556	908,965	52.43	Increases in prices and output of the products

7. For differences between financial statements prepared under International Financial Reporting Standards ("IFRS") and PRC Accounting Rules and Regulations, please refer to Section C of this annual report.