

Financial and Business Highlights

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

| | 2003 | 2002 | 2001 |
|---------------------------------------|-------------------|------------|----------------------|
| | | | <i>Unit: Rmb'000</i> |
| Turnover | 14,482,148 | 10,746,477 | 9,465,247 |
| Profit before taxation | 1,752,435 | 857,482 | 698,824 |
| Taxation | 319,433 | 259,166 | 332,343 |
| Net profit | 1,433,002 | 598,316 | 366,481 |
| Total assets | 14,845,674 | 12,293,565 | 10,101,922 |
| Total liabilities | 6,030,289 | 4,619,310 | 2,798,180 |
| Shareholders' funds | 8,815,385 | 7,674,255 | 7,303,742 |
| Net assets per share | Rmb2.98 | Rmb2.58 | Rmb2.47 |
| Earnings per share (weighted average) | Rmb0.484 | Rmb0.202 | Rmb0.124 |
| Return on net assets | 16.25% | 7.82% | 5.02% |

PREPARED IN ACCORDANCE WITH PRC ACCOUNTING RULES AND REGULATIONS

1. The Group's main accounting data for the year ended 31 December 2003:

| | <i>Unit: Rmb'000</i> |
|--|----------------------|
| Total profit | 1,752,783 |
| Net profit | 1,432,579 |
| Net profit before deduction of non-operating items | 1,474,662 |
| Profit from principal operations | 2,299,052 |
| Profit from other operations | 36,691 |
| Operating profit | 1,815,588 |
| Proceeds from investment | 6 |
| Income from subsidies | 0 |
| Non-operating net income/(expenses) | (62,811) |
| Net cash flow arising from operating activities | 1,998,265 |
| Net increase in cash and cash equivalents | 904,925 |

Notes: Items and amounts of non-operating items deducted by the Group during the Reporting Period:

- (1) Non-operating income: Rmb1,593,000;
- (2) Non-operating expenses: Rmb64,404,000;
- (3) Relevant income tax: Rmb20,728,000.

Financial and Business Highlights *(Continued)*

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

2. The Company recorded net profit of Rmb1,432,579,000 under PRC Accounting Rules and Regulations and net profit of Rmb1,433,002,000 under IFRS for 2003. The difference was Rmb423,000 and the reasons were:
 1. Profits decreased by Rmb19,335,000 due to the pre-operating expenses of the joint venture company;
 2. Profits increased by Rmb12,933,000 due to capitalization of general loan interests;
 3. Profits increased by Rmb4,536,000 in amortization due to write back of land use rights;
 4. Profits increased by Rmb76,000 due to donated assets;
 5. Amortization of rental prepayments of the joint venture company for construction-in-progress reduced profits by Rmb451,000;
 6. Profits increased by Rmb1,913,000 due to written off of payables; and
 7. Profits increased by Rmb771,000 due to deferred taxation.

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

| | 2003 | 2002 | 2001 |
|--|-------------------|------------|----------------------|
| | | | <i>Unit: Rmb'000</i> |
| Income from principal operations | 14,520,736 | 10,771,077 | 9,490,523 |
| Net profit | 1,432,579 | 594,588 | 403,743 |
| Net profit before deduction of non-operating items | 1,474,662 | 612,937 | 426,110 |
| Total assets | 15,011,870 | 12,425,350 | 10,237,888 |
| Shareholders' funds (without minority interest) | 8,948,268 | 7,805,448 | 7,438,032 |
| Earnings per share (weighted average) | Rmb0.484 | Rmb0.20 | Rmb0.137 |
| Earnings per share (diluted) | Rmb0.484 | Rmb0.20 | Rmb0.136 |
| Earnings per share after taking up post balance sheet date equity change | Rmb0.484 | Rmb0.20 | Rmb0.136 |
| Net assets per share | Rmb3.02 | Rmb2.64 | Rmb2.51 |
| Adjusted net assets per share | Rmb3.01 | Rmb2.63 | Rmb2.51 |
| Net cash flows per share from operating activities | Rmb0.675 | Rmb0.71 | -Rmb0.10 |
| Return on net assets (weighted average) | 17.05% | 7.78% | 5.51% |
| Return on net assets (diluted) | 16% | 7.62% | 5.43% |
| Return on net asset after deduction of non-operating items (weighted average) | 17.55% | 8.02% | 5.81% |

Financial and Business Highlights *(Continued)*

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

4. Return on net assets and earnings per share for the reporting period of 2003 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

| | Return on net assets (%) | | Earnings per share (Rmb) | |
|---|--------------------------|------------------|--------------------------|------------------|
| | Fully diluted | Weighted average | Fully diluted | Weighted average |
| Profit from principal operations | 25.69 | 27.37 | 0.78 | 0.78 |
| Operating profit | 20.29 | 21.61 | 0.61 | 0.61 |
| Net profit | 16.01 | 17.05 | 0.48 | 0.48 |
| Net profit after deduction of non-operating items | 16.48 | 17.55 | 0.50 | 0.50 |



Financial and Business Highlights *(Continued)*

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

5. Changes in shareholders' funds during the reporting period:

| | Share capital | Capital reserve | Surplus reserve | Statutory public welfare fund | Undistributed profit | Total shareholders' fund |
|------------------------|---------------|-----------------|-----------------|-------------------------------|----------------------|--------------------------|
| | | | | | | <i>Unit: Rmb'000</i> |
| As at 1 January 2003 | 2,960,874 | 3,078,693 | 484,078 | 242,039 | 1,281,803 | 7,805,448 |
| Increase during 2003 | 1,435 | 4,955 | 286,516 | 143,258 | 1,432,579 | 1,725,485 |
| Decrease during 2003 | — | — | — | — | 582,665 | 582,665 |
| As at 31 December 2003 | 2,962,309 | 3,083,648 | 770,594 | 385,297 | 2,131,717 | 8,948,268 |

Reasons for the changes:

- 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 1,434,973 A shares during the period from 1 January 2003 to 31 December 2003;
- Capital reserve increased by Rmb4,955,000, of which conversion of convertible debentures A shares increased by Rmb2,966,000, the write off of payables increased by Rmb1,913,000 and donated assets amounted to Rmb76,000;
- The changes in surplus reserve and statutory public welfare were due to the contribution of 10% of profit after tax to the statutory surplus reserve and statutory public welfare fund respectively;
- The changes in undistributed profit were due to the net profit amounting to Rmb1,432,579,000 generated for the year, the contribution to the statutory surplus reserve and statutory public welfare fund of Rmb286,516,000 as well as the distribution of dividends of Rmb296,149,000.