

Financial and Business highlights

Prepared in Accordance with International Accounting Standards ("IAS")

	For the year ended 31st December		
	2000	1999	1998
		(restated)	(restated)
	<i>Rmb'000</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
Turnover	9,767,000	6,907,996	5,681,410
Profit before taxation	754,877	427,503	226,106
Taxation	263,482	132,082	68,668
Net profit	491,395	295,421	157,437
Total assets	9,487,198	6,894,041	6,300,720
Total liabilities	2,267,402	1,539,401	1,166,231
Shareholders' funds	7,219,796	5,354,640	5,134,489
Net assets per share	Rmb2.47	Rmb2.13	Rmb2.05
Earnings per share (weighted average)	Rmb0.188	Rmb0.118	Rmb0.063
Return on net assets	6.81%	5.52%	3.07%

PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS

1. The Company recorded total profit of Rmb752,422,000, of which profit from principal operations amounted to Rmb1,032,303,000; profit from other operating activities amounted to Rmb23,236,000; net loss from non-operating activities amounted to Rmb-4,544,000; the aggregate amount of expenses was Rmb298,573,000. Net cash flow from operations was Rmb890,230,000 and net increase in cash and cash equivalent was Rmb631,424,000.

2. The Company recorded net profit of Rmb491,395,000 under IAS and net profit of Rmb489,749,000 under PRC Accounting Standards. The difference of Rmb1,646,000 is due to increase in profit of Rmb2,455,000 from amortisation of intangible assets and decrease of profit of Rmb809,000 from reduction of deferred tax.

3. Major accounting data and financial indices:

Item	For the year ended 31st December		
	2000 <i>Rmb'000</i>	1999 <i>Rmb'000</i>	1998 <i>Rmb'000</i>
(1) Revenue from principal operations	9,793,150	6,923,142	5,692,330
(2) Net Profit	489,749	291,261	123,775
(3) Total assets	9,565,110	6,971,340	6,382,179
(4) Shareholders' funds	7,017,861	5,431,939	5,140,678
(5) Earnings per share (diluted)	Rmb0.168	Rmb0.12	Rmb0.049
(6) Net assets per share (diluted)	Rmb2.41	Rmb2.16	Rmb2.05
(7) Adjusted net assets per share (diluted)	Rmb2.40	Rmb2.16	Rmb2.05
(8) Return on net assets	6.98%	5.36%	2.41%
(9) Ratio of shareholders' funds	73.37%	77.92%	80.55%
(10) Earnings per share (weighted average)	Rmb0.187	Rmb0.12	Rmb0.049
Return on net assets	8.1%	5.51%	2.42%

Notes:

1. The calculation formulae in respect of major financial indices are as follows:

- a. Net assets per share = shareholders' funds at year end/aggregate number of shares outstanding at year end
- b. Earnings per share = net profit/aggregate number of weighted average shares for the year
- c. Return on net assets per share = net profit/shareholders' funds at year end x 100%

2. Certain comparative figures have been adjusted as a result of changes in accounting policy for proposed dividend in order to comply with IAS 10 Events After the Balance Sheet Date (revised 1999) and also for provision for major overhaul in order to comply with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3. Changes in shareholders' interests during the reporting period (in accordance with PRC Accounting Standards):

Items	Share capital <i>Rmb'000</i>	Capital reserve <i>Rmb'000</i>	Surplus reserve <i>Rmb'000</i>	Including:		Total <i>Rmb'000</i>
				Statutory public welfare fund <i>Rmb'000</i>	Undistributed profit <i>Rmb'000</i>	
As at 1st January, 2000	2,509,000	2,152,761	185,146	92,573	585,032	5,431,939
Increase during 2000	408,943	949,845	-	-	489,749	1,848,537
Transfer to statutory reserves	-	-	97,950	48,975	(97,950)	-
Dividends	-	-	-	-	(262,615)	(262,615)
As at 31st December, 2000	2,917,943	3,102,606	283,096	141,548	714,216	7,017,861

Reasons for changes:

The Company issued convertible debentures of Rmb1.5 billion in the PRC from 15th March, 2000 to 17th March, 2000. As at 31st December, 2000, such debentures had been converted to 408,943,331 A shares.

