

# Consolidated Income Statement

Prepared under the PRC accounting standards

## (2). Profit and Loss and Distribution Statement (unaudited)

Unit: RMB  
As at June, 2001

| Item  | Real data of this period |                 | Same period of last year |                  | At the end of last year |                  |
|---|--------------------------|-----------------|--------------------------|------------------|-------------------------|------------------|
|   | Parent Company           | Consolidated    | Parent Company           | Consolidated     | Parent Company          | Consolidated     |
| ( i ) Principal operating income                          | 565,113,108.58           | 779,177,108.35  | 968,274,477.21           | 1,236,182,839.20 | 1,582,632,926.26        | 2,222,269,882.38 |
| Less: principal operating costs                           | 522,513,911.11           | 712,238,796.22  | 910,329,707.44           | 1,144,920,237.44 | 1,533,559,683.08        | 2,111,329,028.18 |
| Tax and surcharges  | 238,234.81               | 947,083.67      | 4,036,707.79             | 4,634,492.43     | 4,634,272.67            | 6,612,745.87     |
| ( ii ) Principal operating profit                         | 42,360,962.66            | 65,991,228.46   | 53,908,061.98            | 86,628,109.33    | 44,438,970.51           | 104,328,108.33   |
| Add: profit from other operations ("-" representing loss) | 7,099,332.49             | 6,163,245.81    | 2,571,339.64             | 2,006,543.38     | 8,036,904.98            | 4,747,256.35     |
| Less: Selling expenses                                    | 371,122.09               | 947,146.31      | 1,452,870.19             | 8,405,425.83     | 3,320,521.66            | 8,481,242.46     |
| Administrative expenses                                   | 44,477,865.68            | 56,692,298.96   | 52,029,219.62            | 63,665,375.01    | 763,463,513.71          | 797,994,631.84   |
| Financial expenses  | 23,581,400.09            | 26,279,543.47   | 17,722,828.78            | 24,580,719.01    | 38,495,261.42           | 48,276,049.41    |
| ( iii ) Operating profit                                  | -18,970,092.71           | -11,764,514.47  | -14,724,516.97           | -8,016,867.14    | -752,803,421.30         | -745,676,559.03  |
| Add: investment income                                    | 13,292,480.18            | 5,813,816.31    | 5,422,476.47             | 1,241,479.82     | -46,430,824.49          | 1,133,303.87     |
| Subsidy income  | 12,171,914.62            | 12,171,914.62   | 40,272,559.40            | 40,272,559.40    | 65,009,643.82           | 65,009,643.82    |
| Non-operating income                                      | 228,724.76               | 309,271.04      | 259,553.59               | 281,449.30       | 539,313.02              | 749,089.99       |
| Less: non-operating expenses                              | 188,226.80               | 267,572.65      | 219,612.98               | 588,990.52       | 1,636,467.21            | 50,998,454.55    |
| ( iv ) Total profit                                       | 6,534,800.05             | 6,262,914.85    | 31,010,459.51            | 33,189,630.86    | -735,321,756.16         | -729,342,975.90  |
| Less: income tax  | -                        | 581,122.48      | 6,991,018.92             | 7,273,597.49     | 4,008,245.51            | 7,509,893.24     |
| Less: minority interests                                  | -                        | -853,007.68     |                          | 1,988,258.36     | -                       | 2,477,122.53     |
| ( v ) Net profit  | 6,534,800.05             | 6,534,800.05    | 24,019,440.59            | 23,927,775.01    | -739,330,001.67         | -739,329,991.67  |
| Add: retained earnings at the beginning of the period     | -637,064,956.53          | -637,684,882.64 | 103,037,428.90           | 102,417,492.79   | 103,037,428.90          | 102,417,492.79   |
| Other profit transfer in                                  | -                        | -               |                          |                  |                         |                  |
| ( vi ) Distributable profit                               | -630,530,156.48          | -631,150,082.59 | 127,056,869.49           | 126,345,267.80   | -636,732,172.77         | -637,352,098.88  |
| Appropriation to statutory surplus reserve                | -                        | -               |                          |                  | 166,391.88              | 166,391.88       |
| Appropriation to statutory                                | -                        | -               |                          |                  | 166,391.88              | 166,391.88       |

|  |                        |                        |                       |                       |                        |                        |
|--|------------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|
| public welfare fund                                    |                        |                        |                       |                       |                        |                        |
| Appropriation to staff bonus and welfare fund          | -                      | -                      |                       |                       |                        |                        |
| Appropriation to reserve fund                          | -                      | -                      |                       |                       |                        |                        |
| Appropriation to enterprise development fund           | -                      | -                      |                       |                       |                        |                        |
| Profit return to investment                            | -                      | -                      |                       |                       |                        |                        |
| <b>(vii) Profit distributable to Shareholders</b>      | <b>-630,530,156.48</b> | <b>-631,150,082.59</b> | <b>127,056,869.49</b> | <b>126,345,267.80</b> | <b>-637,064,956.53</b> | <b>-637,684,882.64</b> |
| Less: preference shares dividends                      | -                      | -                      |                       |                       |                        |                        |
| Appropriation to discretionary surplus reserve         | -                      | -                      |                       |                       |                        |                        |
| Ordinary shares dividends                              | -                      | -                      |                       |                       |                        |                        |
| Ordinary shares dividends transferred to capital stock | -                      | -                      |                       |                       |                        |                        |
| <b>(viii) Retained earnings</b>                        | <b>-630,530,156.48</b> | <b>-631,150,082.59</b> | <b>127,056,869.49</b> | <b>126,345,267.80</b> | <b>-637,064,956.53</b> | <b>-637,684,882.64</b> |

**Prepared under the Hong Kong generally accepted accounting principles**

1. Condensed consolidated profit and loss account

For the six months ended 30<sup>th</sup> June 2001

|   | Note | <b>Unaudited</b>                  |                |
|---|------|-----------------------------------|----------------|
|   |      | <b>Six months ended 30th June</b> |                |
|   |      | <b>2001</b>                       | <b>2000</b>    |
|   |      | <b>RMB'000</b>                    | <b>RMB'000</b> |
| <b>Turnover</b>   | 3    | <b>779,177</b>                    | 1,236,183      |
| Construction cost   |      | <b>(456,818)</b>                  | (885,494)      |
| Cost of inventories sold                                  |      | <b>(255,421)</b>                  | (259,426)      |
| Cost of sales   |      | <b>(712,239)</b>                  | (1,144,920)    |
| Gross profit  |      | <b>66,938</b>                     | 91,263         |
| Other revenues  | 4    | <b>27,490</b>                     | 48,229         |
| Distribution, administrative and other operating expenses |      | <b>(73,114)</b>                   | (76,431)       |
| Operating profit  | 5    | <b>21,314</b>                     | 63,061         |
| Finance costs   | 6    | <b>(29,035)</b>                   | (29,864)       |
| Share of profits less losses of associated companies      |      | <b>147</b>                        | -              |
| <b>(Loss)/profit before taxation</b>                      |      | <b>(7,574)</b>                    | 33,197         |
| Taxation  | 7    | <b>(868)</b>                      | (7,274)        |
| <b>(Loss)/profit after taxation</b>                       |      | <b>(8,442)</b>                    | 25,923         |

|   |   |                           |                  |
|---|---|---------------------------|------------------|
| Minority interests                                |   | <u>853</u>                | <u>(1,988)</u>   |
| <b>(Loss)/profit attributable to shareholders</b> |   | <u><b>(7,589)</b></u>     | <u>23,935</u>    |
| (Loss)/earnings per share                         | 8 | <u><b>(RMB0.0153)</b></u> | <u>RMB0.0484</u> |

The Group has no other recognised gains and losses other than loss for the period of RMB8,442,000 (2000 : profit of RMB 25,923,000). Accordingly, no separate statement of recognised gains and losses is presented.