

Chapter II Summary of Accounting and Business Data

Section 1. Key operating data

1. Prepared in accordance with the PRC accounting rules and regulations (the “PRC GAAP”)

	2001
	<i>RMB'000</i>
Total profit	144,622
Net profit	122,888
Net profit after extraordinary items	123,063
Profit from principal activities	434,459
Profit from other activities	8,476
Operating profit	146,973
Investment loss	(523)
Subsidy income	484
Net non-operating income/expenses	(2,311)
Net cash flow from operating activities	90,971
Net increase in cash and cash equivalents	(345,059)
After deducting the following extraordinary items:	
Amortization of consolidation differences	621
Subsidy income	484
Income from entrusted loans	1,000
Net non-operating expenses	(2,311)
Effect of income tax	31

2. The following illustrates the differences in profit attributable to shareholders and net assets as calculated in accordance with PRC GAAP and with accounting principles generally accepted in Hong Kong (the “HK GAAP”):

	Profit attributable to shareholders		Net assets	
	Group	Company	Group	Company
	2001	2001	2001	2001
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Prepared in accordance with PRC GAAP	122,888	122,205	2,175,492	2,174,054
Reversal of provision for impairment of fixed assets under HK GAAP	(39,538)	(35,904)	—	—
Equity accounting for the results/reserves of subsidiaries under the PRC GAAP	73	5,900	—	(92,202)
Amortisation of negative goodwill not allowed under HK GAAP	—	—	(3,731)	(3,731)
Adjustment for revaluation surplus on investment property in accordance with HK GAAP	—	—	17,705	17,705
Revaluation surplus on land use rights under PRC GAAP	—	—	(4,200)	(4,200)
Amortisation of revalued land use rights under PRC GAAP	102	—	478	—
Capital reserve arising on consolidation of accounts under HK GAAP	—	—	9,946	—
Adjustment for amortisation of long term stock investment difference over 10 years under PRC GAAP	(621)	—	(1,321)	—
Adjustment for proposed final dividends in accordance with HK GAAP	—	—	36,228	36,228
Others	(210)	—	(198)	3
Prepared in accordance with HK GAAP	<u>82,694</u>	<u>92,201</u>	<u>2,230,399</u>	<u>2,127,857</u>



Section 2. Key accounting data and financial indicators prepared in accordance with the PRC accounting rules and regulations for the previous three years

	2001	2000	2000	1999	1999
	RMB'000	(restated) RMB'000	RMB'000	(restated) RMB'000	RMB'000
Revenue from principal activities	2,215,239	1,808,125	1,808,125	803,585	803,585
Net profit	122,888	127,341	133,933	56,184	88,598
Total assets	4,012,056	3,634,027	3,673,565	1,893,765	1,926,711
Shareholders' equity (excluding minority interests)	2,175,492	2,088,777	2,128,315	793,054	826,000
Earnings per share (in RMB)					
– fully diluted	0.20	0.21	0.22	0.13	0.21
– weighted average	0.20	0.24	0.25	0.13	0.21
– after extraordinary items	0.20	0.22	0.22	0.21	0.21
Net assets per share (in RMB)	3.60	3.46	3.52	1.87	1.95
Adjusted net assets per share (in RMB)	3.51	3.40	3.46	1.83	1.90
Net cash flow from operating activities per share	0.15	0.41	0.41	(0.02)	(0.02)
Return on equity (%)					
– fully diluted	5.65	6.10	6.29	7.08	10.73
– weighted average	5.72	7.91	8.30	7.34	11.33

Section 3. Schedule to Profit and Loss Account prepared in accordance with the Information Disclosure Compilation Rules (No 9) of the China Securities Regulatory Commission (the “CSRC”)

Profit for reporting period	Return on Equity (%)		Earnings per Share (RMB/share)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal activities	19.97	20.21	0.72	0.72
Operating profit	6.76	6.84	0.24	0.24
Net profit	5.65	5.72	0.20	0.20
Net profit after extraordinary items	5.66	5.72	0.20	0.20

Section 4. Audited financial information prepared in accordance with HK GAAP

1. Results

	For the year ended 31st December				
	2001 RMB'000	2000 RMB'000	1999 RMB'000	1998 RMB'000	1997 RMB'000
Turnover	2,215,239	1,808,125	803,585	409,632	587,428
Cost of sales	(1,774,364)	(1,444,005)	(626,834)	(328,520)	(467,842)
Gross profit	440,875	364,120	176,751	81,112	119,586
Other revenues	6,743	15,134	34,096	1,963	3,474
Distribution expenses	(67,140)	(54,537)	(20,754)	(12,104)	(18,065)
Administrative expenses	(222,174)	(161,657)	(72,120)	(49,822)	(66,650)
Other operating expenses, net	(51,125)	(301)	(2,070)	(3,958)	(3,719)
Operating profit	107,179	162,759	115,903	17,191	34,626
Net interest (expenses)/income	(3,852)	(16,657)	(17,948)	(7,647)	8,415
Share of profits of associated companies	1,174	–	(1,445)	(913)	(1,316)
Profit before taxation	104,501	146,102	96,510	8,631	41,725
Taxation	(20,746)	(9,944)	(8,355)	(937)	(6,733)
Profit after taxation	83,755	136,158	88,155	7,694	34,992
Minority interests	(1,061)	(2,283)	(532)	–	–
Profit attributable to shareholders	82,694	133,875	87,623	7,694	34,992
Shareholders' equity	2,230,399	2,196,363	827,688	733,852	726,158
Earnings per share (in RMB)	0.14	0.25	0.21	0.02	0.08
Net assets per share (in RMB)	3.69	4.00	1.95	1.73	1.71
Return on equity (%)	3.74	8.17	10.59	1.05	4.82

Section 4. Audited financial information prepared in accordance with HK GAAP (continued)**2. Consolidated net assets**

	As at 31st December				
	2001 RMB'000	2000 RMB'000	1999 RMB'000	1998 RMB'000	1997 RMB'000
Fixed assets	958,992	557,669	542,234	451,550	416,748
Associated companies	64,954	7,100	23,891	25,395	26,451
Investments	460	1,105	1,105	1,198	1,198
Intangible assets	1,250	925	1,125	1,325	1,525
Taxation recoverable	—	—	—	—	3,129
Deferred assets	—	—	—	22,157	22,821
Current assets	2,996,605	3,078,047	1,332,437	699,598	654,054
Current liabilities	(1,659,415)	(1,369,465)	(1,041,259)	(422,751)	(375,768)
Net current assets	1,337,190	1,708,582	291,178	276,847	278,286
Minority interests	(39,372)	(7,728)	(3,845)	—	—
Long term bank loans	(93,075)	(71,290)	(28,000)	(44,620)	(24,000)
Net assets	2,230,399	2,196,363	827,688	733,852	726,158

Section 5. Changes in shareholders' equity prepared in accordance with PRC GAAP

Items	Share capital RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Statutory public welfare fund RMB'000	Undistributed profit RMB'000	Exchange differences RMB'000	Total shareholders' equity RMB'000
At the beginning of the year	603,800	1,252,154	72,243	44,480	116,100	—	2,088,777
Increases during the year	—	—	17,412	17,412	122,888	55	157,767
Decreases during the year	—	—	—	—	(71,052)	—	(71,052)
At the end of the year	603,800	1,252,154	89,655	61,892	167,936	55	2,175,492

The increase in statutory surplus reserve and statutory public welfare fund were due to the appropriation from the current year's profit. The increase in undistributed profit was due to the balance brought forward from the net profit in 2001, after the appropriation of the two statutory funds and declaration of proposed dividends.