



Chapter II Summary of Accounting and Business Data

Section 1 Key operating data

1. Prepared in accordance with the PRC accounting standards and system (the “PRC GAAP”)

	2002
	RMB '000
Total profit	160,135
Net profit	137,685
Net profit after extraordinary items	144,070
Profit from main operations	580,429
Profit from other operations	43,273
Operating profit	169,466
Investment loss	(559)
Subsidy income	694
Net non-operating income and expenses	(9,466)
Net cash flow from operating activities	456,836
Net decrease in cash and cash equivalents	(381,386)
After deducting the following extraordinary items:	
Amortisation of consolidation differences	34
Subsidy income	694
Income from entrusted investment	1,297
Net non-operating income and expenses	(9,466)
Loss on disposal of associates and assets of the Company	(71)
Effect of income tax	1,127

Section 1 Key operating data (continued)

2. The following illustrates the differences in the accounts as at 31st December 2002 as calculated in accordance with the PRC GAAP and with accounting principles generally accepted in Hong Kong (the “HK GAAP”):

	Profit attributable to shareholders For the year ended 31st December 2002		Net assets As at 31st December 2002	
	Group RMB '000	Company RMB '000	Group RMB '000	Company RMB '000
Prepared in accordance with PRC GAAP	137,685	139,068	2,271,549	2,271,483
Provision for housing allowances recognised in current year under HK GAAP	(5,411)	—	—	—
Equity accounting for the results and reserves of subsidiaries in the accounts of the Company prepared under PRC GAAP	—	(80,502)	—	(167,293)
Amortisation of negative goodwill not allowed under HK GAAP	—	—	(3,731)	(3,731)
Revaluation surplus on land use right under PRC GAAP	—	—	(4,200)	(4,200)
Surplus on revaluation over cost of investment property not recognised under PRC GAAP	—	—	4,583	4,583
Reversal of amortisation of revalued land use right under the PRC GAAP	105	—	583	—
Reversal of depreciation for investment property not recognised under PRC GAAP	4,780	4,780	4,780	4,780
Capital reserve arising on consolidation under HK GAAP	—	—	9,946	—
Amortisation of long term investment difference over ten years under PRC GAAP	(621)	(1,942)	(1,942)	(1,942)
2002 proposed final dividends not recognised as dividend payable under HK GAAP	—	—	36,228	36,228
Others	198	(3)	—	—
Prepared in accordance HK GAAP	<u>136,736</u>	<u>61,401</u>	<u>2,317,796</u>	<u>2,139,908</u>



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

Items	2002 RMB'000	2001 (restated) RMB'000	2001 RMB'000	2000 (restated) RMB'000	2000 RMB'000
Revenue from main operations	2,828,438	2,215,239	2,215,239	1,808,125	1,808,125
Net profit	137,685	122,888	122,888	127,341	133,933
Total assets	4,774,180	4,012,056	4,012,056	3,634,027	3,673,565
Shareholders' equity (excluding minority interests)	2,271,549	2,170,081	2,175,492	2,083,366	2,128,315
Earnings per share (in RMB)					
– fully diluted	0.23	0.20	0.20	0.21	0.22
– weighted average	0.23	0.20	0.20	0.24	0.25
– after extraordinary items	0.24	0.20	0.20	0.22	0.22
Net assets per share (in RMB)	3.76	3.59	3.60	3.45	3.52
Adjusted net assets per share (in RMB)	3.71	3.50	3.51	3.39	3.46
Net cash flow from operating activities per share	0.76	0.15	0.15	0.41	0.41
Return on equity (%)					
– fully diluted	6.06	5.66	5.65	6.11	6.29
– weighted average	6.15	5.73	5.72	8.10	8.30

Section 3 Schedule to Profit and Loss Account

Profit during the Reporting Period	Return on equity (%)		Earnings per share (RMB)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Revenue from main operations	25.55	25.92	0.96	0.96
Operating profit	7.46	7.57	0.28	0.28
Net profit	6.06	6.15	0.23	0.23
Net profit after extraordinary items	6.34	6.43	0.24	0.24



Section 4 Audited financial information prepared in accordance with HK GAAP

1. Results

	For the year ended 31st December				
	2002	2001	2000	1999	1998
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Turnover	2,828,438	2,215,239	1,808,125	803,585	409,632
Cost of sales	(2,238,672)	(1,774,364)	(1,444,005)	(626,834)	(328,520)
Gross profit	589,766	440,875	364,120	176,751	81,112
Other revenues	48,363	6,743	15,134	34,096	1,963
Distribution expenses	(98,977)	(67,140)	(54,537)	(20,754)	(12,104)
Administrative expenses	(337,423)	(222,174)	(161,657)	(72,120)	(49,822)
Net other operating expenses	(16,662)	(51,125)	(301)	(2,070)	(3,958)
Operating profit	185,067	107,179	162,759	115,903	17,191
Net interest expenses	(26,261)	(3,852)	(16,657)	(17,948)	(7,647)
Share of profits less losses of associated companies	516	1,174	—	(1,445)	(913)
Profit before taxation	159,322	104,501	146,102	96,510	8,631
Taxation	(20,104)	(20,746)	(9,944)	(8,355)	(937)
Profit after taxation	139,218	83,755	136,158	88,155	7,694
Minority interests	(2,482)	(1,061)	(2,283)	(532)	—
Profit attributable to shareholders	136,736	82,694	133,875	87,623	7,694
Shareholders' equity	2,317,796	2,230,399	2,196,363	827,688	733,852
Earnings per share (in RMB)	0.23	0.14	0.25	0.21	0.02
Net assets per share (in RMB)	3.84	3.69	4.00	1.95	1.73
Return on equity (%)	5.90	3.74	8.17	10.59	1.05

2. Consolidated net assets

	As at 31st December				
	2002	2001	2000	1999	1998
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Fixed assets	1,260,970	958,992	557,669	542,234	451,550
Investment in associated companies	68,108	64,954	7,100	23,891	25,395
Investment securities	1,152	460	1,105	1,105	1,198
Intangible assets	3,096	1,250	925	1,125	1,325
Deferred assets	—	—	—	—	22,157
Current assets	3,385,427	2,996,605	3,078,047	1,332,437	699,598
Current liabilities	(2,284,759)	(1,659,415)	(1,369,465)	(1,041,259)	(422,751)
Net current assets	1,100,668	1,337,190	1,708,582	291,178	276,847
Minority interests	(50,531)	(39,372)	(7,728)	(3,845)	—
Long term bank loans	(65,667)	(93,075)	(71,290)	(28,000)	(44,620)
Net assets	2,317,796	2,230,399	2,196,363	827,688	733,852

**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	88,573	60,809	164,689	55	2,170,080
Increases during the year	—	—	22,201	22,201	137,685	11	182,098
Decreases during the year	—	—	—	—	(80,629)	—	(80,629)
At the end of the year	<u>603,800</u>	<u>1,252,154</u>	<u>110,774</u>	<u>83,010</u>	<u>221,745</u>	<u>66</u>	<u>2,271,549</u>

Reasons for change: The increases in both the statutory surplus reserve and the statutory public welfare fund are attributed to the transfer to both funds based on net profit, while increase in undistributed profit is attributed to realised net profit carried forward after the transfer to the said two funds together with declaration of dividend payment.