

# FINANCIAL AND OPERATING HIGHLIGHTS

## 1. PRINCIPAL ACCOUNTING DATA AND FINANCIAL HIGHLIGHTS

### (1) In accordance with accounting principles generally accepted in the People's Republic of China ('the PRC') ('PRC GAAP')

	Unit: RMB'000
Profit for the year:	7,734
Net profit for the year:	6,078
Profit excluding non-recurring Items for the year:	3,710
Principal operating profit:	59,345
Other operating income:	2,841
Profit from operation:	5,477
Investment income:	1,014
Subsidy income:	1,323
Net non-operating expenses:	(80)
Cash flow from operating activities:	(4,481)
Increase in cash and cash equivalents:	47,805

Note: Profit excluding non-recurring items for the year excluded the subsidy income amounted to RMB 1,323,000, designated investment income amounted to RMB 1,125,000 and net non-operating expenses amounted to RMB (80,000).

### (2) In accordance with accounting principles generally accepted in Hong Kong ('HK GAAP')

	Unit: RMB'000
Profit before taxation:	8,382
Net profit for the year:	6,726
Gross profit:	59,345
Other operating income:	10,196
Administrative expenses and distribution costs:	52,384
Finance costs:	8,592
Non-operating expenses:	89

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## (3) Explanation on differences on the consolidated net profit and the consolidated net assets as prepared under the PRC GAAP and those prepared under the HK GAAP

As at 31st December, 2002, under the financial statements as prepared under the PRC GAAP, the net profit of the Group and the net assets of the Group were RMB 6,078,000 and RMB 506,778,000, respectively. As at 31st December, 2002, under the financial statements prepared under the HK GAAP, the net profit of the Group and the net assets of the Group were RMB6,726,000 and RMB514,402,000, respectively.

The financial statements prepared under HK GAAP and those prepared under the PRC GAAP have the following major differences:

	Net profit for the year ended 31st December, 2002 RMB'000	Net assets as at 31st December, 2002 RMB'000
As per financial statements prepared under the PRC GAAP	6,078	506,778
Adjustments made to in accordance with the HKGAAP		
Interest subsidy	1,312	—
Deferred gain on sale and lease back transaction	—	7,624
Amortisation on deferred gain on sale and lease back transaction	(664)	—
As per financial statement prepared under the HK GAAP	6,726	514,402

## 2. PRINCIPAL ACCOUNTING DATA AND FINANCIAL HIGHLIGHTS

### (1) In accordance with the PRC GAAP

Items	Units	As at 31st December,				
		2002	2001	2000	1999	1998
Turnover	RMB'000	179,628	102,494	91,071	46,247	47,314
Net profit	RMB'000	6,078	2,051	3,576	(46,568)	(25,671)
Total assets	RMB'000	839,469	774,442	669,435	575,903	613,271
Shareholders' equity	RMB'000	506,778	499,034	509,337	505,761	552,329
Earnings per share	RMB/Shares	0.025	0.008	0.015	(0.19)	(0.105)
Net assets per share	RMB/Shares	2.07	2.04	2.08	2.06	2.25
Return on net assets	%	1.2	0.41	0.70	(9.21)	(4.65)
Net assets per share after adjustments	RMB/Shares	2.06	2.03	2.01	2.00	2.23
Net cashflow from operating activities per shares	RMB/Shares	(0.018)	(0.06)	0.05	(0.04)	(0.07)

Note: The shareholders' equity does not include minority shareholders' interests.

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## (2) In accordance with the HK GAAP

		For the year ended 31st December,				
	Units	2002	2001	2000	1999	1998
Turnover	RMB'000	179,628	102,494	91,071	46,247	47,314
Net profit for the year	RMB'000	6,726	8,236	1,375	(46,353)	(25,566)
Total assets	RMB'000	835,039	771,488	662,554	568,223	609,463
Total liabilities	RMB'000	307,999	263,812	163,114	70,158	60,948
Shareholders' equity	RMB'000	514,402	507,676	499,440	498,065	548,515
Earnings per shares	Cents/ Shares	2.75	3.4	0.6	(18.9)	(10.4)
Net assets per shares	RMB/Shares	2.10	2.07	2.04	2.32	2.49
Return on net assets	%	1.31	1.49	0.28	(9.31)	(4.66)
Net assets per shares after adjustments	RMB/Shares	2.10	2.05	2.02	2.02	2.22
Net cash flow from operating activities per shares	RMB/Shares	(0.027)	(0.03)	0.07	(0.04)	(0.07)

Note: The shareholders' equity does not include minority shareholders' interests.

## (3) Supplemental information disclosed according to disclosure requirement set out in Issue No. 9 of "The Content and Format of Disclosure Information by Listed Companies" issued by China Securities Supervision and Administrative Committee:

Profit for the reporting period	Return on net assets (%)		Earnings per share (RMB)	
	Dilutive	Weighted average	Dilutive	Weighted average
Principal operating profit	11.71	11.71	0.24	0.24
Profit from operation	1.08	1.08	0.022	0.022
Net profit	1.20	1.20	0.025	0.025
Net profit after deducting non-recurring items	0.73	0.73	0.015	0.015

## 3. MOVEMENT IN SHAREHOLDERS' EQUITY

### (1) In accordance with the PRC GAAP

Unit : RMB'000

Items	Share Capital	Capital Surplus	Surplus Reserve	Included: Statutory Public Welfare Fund	Accumulated losses	Total
As at 1st January, 2002	245,007	305,280	16,813	8,406	(66,400)	500,700
Net profit for the year	—	—	—	—	6,078	6,078
As at 31st December, 2002	245,007	305,280	16,813	8,406	(60,322)	506,778

### (2) In accordance with the HK GAAP

Unit : RMB'000

Items	Share Capital	Share premium	Capital Surplus	Statutory Surplus Reserve	Statutory Public Welfare Fund	Accumulated losses	Total
As at 1st January, 2002	245,007	293,745	10,225	8,406	8,406	(58,113)	507,676
Net profit for the year	—	—	—	—	—	6,726	6,726
As at 31st December, 2002	245,007	293,745	10,225	8,406	8,406	(51,387)	514,402