

# Summary of Accounting and Business Data

## (I) Realized profit of the Company in the year and its breakdown

The realized profit of the Company and its subsidiaries (collectively the "Group") in the year and its breakdown are as follows:

### 1. Prepared under PRC Accounting Standards and Systems

	RMB'000
Total profit	17,569
Net profit	15,917
Net profit (loss) after exclusion of exceptional items <i>(Note)</i>	(52,661)
Profit from principal operations	4,214
Profit from other operations	13,111
Profit (loss) from operations	(237,601)
Investment income	2,010
Subsidy income	121,217
Net non-operating results	131,943
Net cash flow from operating activities	(385,727)
Net increase (decrease) of cash and cash equivalent	12,135

*Note:* The nature and amount of exceptional items are as follows:

	RMB'000
(1) Non-operating income	200,555
Including: compensation of business reallocation for environmental protection	197,330
(2) Non-operating expenditure	68,612
Including: cost of business reallocation for environmental protection	62,655
(3) Written-off in land use right	8,577
(4) Payment for medical insurance premium of retired employees	36,588
(5) Payment for medical insurance premium of employees who will be retiring within ten years	18,200

### 2. Prepared in accordance with Accounting Principles Generally Accepted in Hong Kong

	RMB'000
Profit before taxation	16,835
Profit attributable to shareholders	15,020

# Summary of Accounting and Business Data

## (II) Major accounting data and financial indicators of last five years

### 1. Prepared under PRC Accounting Standards and Systems

The results, assets and liabilities of the Group of the last five years are summarized as follows:

(Unit: RMB'000)

	2002	2001	2000		1999	1998
			Before adjustment	After adjustment		
Principal operating income	<b>2,413,101</b>	2,076,603	2,222,270	2,222,270	2,281,357	1,865,084
Total profit (loss)	<b>17,569</b>	11,325	(729,783)	(715,651)	19,350	30,069
Net profit (loss)	<b>15,917</b>	8,978	(739,770)	(725,870)	1,101	19,032
Total assets	<b>3,192,625</b>	2,510,263	2,396,910	2,418,381	3,466,470	3,357,982
Total liabilities	<b>2,498,299</b>	1,830,445	1,732,594	1,732,594	2,057,312	1,955,226
Shareholders' equity						
(excluding minority interests)	<b>633,538</b>	617,730	608,663	628,825	1,351,865	1,350,414
Earnings (loss) per share (RMB)						
(Number of shares in issue at the end of year)	<b>0.0322</b>	0.018	(1.50)	(1.4674)	0.0022	0.0385
Earnings (loss) per share (RMB)						
(Weighted average number of shares in issue)	<b>0.0322</b>	0.018	(1.4962)	(1.4674)	0.0022	0.0385
Net assets per share (RMB)						
(Number of shares in issue at the end of year)	<b>1.28</b>	1.25	1.23	1.2712	2.73	2.73
Adjusted net assets per share (RMB) (Number of shares in issue at the end of year)	<b>1.12</b>	1.24	1.12	1.12	2.69	2.69
Net cash flow from operating activities per share (Number of shares in issue at the end of the year)	<b>(0.78)</b>	0.6748	0.0483	0.0483	0.0381	(0.375)
Return (loss) on net assets (%)						
(Shareholders' equity at the end of year)	<b>2.51</b>	1.45	(121.55)	(1.1543)	0.0814	1.41
Return (loss) on net assets (%)						
(Average of shareholders' equity at the beginning and the end of year)	<b>2.54</b>	1.46	(75.46)	(73.29)	0.0815	1.41
Return (loss) on net assets after deduction of exceptional items (%)						
(Average of shareholders' equity at the beginning and the end of year)	<b>(8.42)</b>	1.47	1.82		6.93	1.41
Ratio of shareholders' equity (%)						
(Shareholders' equity/Total assets x100%)	<b>19.84</b>	24.61	25.39	26	39.00	40.22
Current Ratio						
(Current assets/Current liabilities)	<b>0.91</b>	0.96	0.85	0.85	1.38	1.39

Note: The adjusted net assets per share is net asset per share excluding exceptional items.

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### 2. In accordance with Accounting principles generally accepted in Hong Kong

The results, assets and liabilities of the Group for the last five years are summarized as follows:

(Unit: RMB'000)

	2002	2001	2000	1999	1998
Turnover	<b>2,413,101</b>	2,076,603	2,222,270	2,281,357	1,865,084
Operating (loss)/profit	<b>(65,758)</b>	47,002	(311,052)	178,412	29,734
Profit/(loss) before taxation	<b>16,835</b>	(2,651)	(721,762)	18,657	30,171
Profit/(loss) attributable to shareholders	<b>15,020</b>	(5,160)	(728,710)	956	19,032
Total assets	<b>3,652,666</b>	2,909,855	3,026,168	3,647,733	3,268,848
Total liabilities	<b>2,958,864</b>	2,229,773	2,347,951	2,238,576	1,866,093
Total shareholders' equity (excluding minority interests)	<b>633,014</b>	617,994	623,154	1,351,864	1,350,414
Earnings/(loss) per share (RMB) (Number of shares in issue at the end of the year)	<b>0.0304</b>	(0.0104)	(1.4731)	0.0019	0.0385
Earnings/(loss) per share (RMB) (Weighted average number of shares in issue)	<b>0.0304</b>	(0.0104)	(1.4731)	0.0019	0.0385
Net assets per share (RMB) (Number of shares in issue at the end of the year)	<b>1.28</b>	1.25	1.26	2.73	2.73
Return on net assets (%) (Shareholders' equity at the end of the year)	<b>2.37</b>	(0.83)	(116.94)	0.07	1.41
Return on net assets (%) (Average of shareholders' equity at the beginning and the end of year)	<b>2.40</b>	(0.83)	(73.79)	0.07	1.41
Ratio of shareholders' equity (%) (Shareholders' equity/ Total assets x 100%)	<b>17.33</b>	21.24	20.59	37.06	41.31
Current ratio (Current assets/Current liabilities)	<b>0.92</b>	0.93	0.84	1.20	1.30
Gearing ratio (%)	<b>81.01</b>	76.63	77.59	61.37	57.09

# Summary of Accounting and Business Data

## Notes:

- (1) Methods for calculating earnings/(loss) per share, net assets per share, return on net assets, adjusted net assets per share, net cash flow from operating activities per share and asset liability ratio are as follows:

- ① Based on balances at the end of the year:

Earnings/(loss) per share = net profit (loss)/total number of ordinary shares at the end of the year

Net assets per share = shareholders' equity at the end of the year/total number of ordinary shares at the end of the year

Return on net assets = net profit (loss)/shareholders' equity at the end of the year x 100%

Adjusted net assets per share = (shareholders' equity at the end of the year – accounts receivable aged over three years – deferred expenses – net loss on current/fixed assets to be written off – flotation expenses – long-term deferred expenses – negative balance of housing circulation fund)/total number of ordinary shares at the end of the year

Net cash flow from operating activities per share = net cash flow from operating activities/total number of ordinary shares at the end of the year

- ② Based on weighted average balances:

Earnings (loss) per share = net profit (loss)/weighted monthly average number of shares for the year

Return on net assets = net profit (loss) /[(shareholders' equity at the beginning of the year + shareholders' equity at the end of the year/2) x 100%

- ③ Gearing ratio = total liabilities/total assets x 100%

- (2) The difference in this year's net profit (profit attributable to shareholders) calculated on the basis of the PRC Accounting Standards and Systems and the accounting principles generally accepted in Hong Kong is as follow:

	<b>Net assets</b> <b>RMB'000</b>	<b>Net profit</b> <b>RMB'000</b>
Under accounting principles generally accepted in Hong Kong	633,014	15,020
Reconciling items		
1. Realized gain on minority interest portion from inter-company transactions	(502)	–
2. Appropriation to staff and worker's bonus and welfare fund	–	109
3. Profit and loss items directly recorded in retained earnings brought forward	238	–
4. Deficit on revaluation of investment properties	788	788
Under PRC Accounting Standards and Systems	<u>633,538</u>	<u>15,917</u>

## Summary of Accounting and Business Data

### (III) Supplementary profit statement prepared pursuant to “Regulations on Information Disclosure for Companies with Listed Securities (No. 9)” promulgated by China Securities Regulatory Committee.

Profit (loss) during the period Under review	Return on net assets ratio (%)		Earnings (loss) per share (RMB)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	0.67	0.67	0.01	0.01
Profit (loss) from operations	(37.50)	(37.40)	(0.48)	(0.48)
Net profit (loss)	2.51	2.54	0.03	(0.03)
Net profit (loss) after deduction of exceptional items	(8.31)	(8.42)	(0.11)	(0.11)

Methods for calculating fully diluted return on net assets and fully diluted earnings (loss) per share are as follows:

Fully diluted return on net assets = Profit (loss) during the period under review ÷ Net assets at period end x 100%

Fully diluted earnings (loss) per share = Profit (loss) during the period under review ÷ Total number of ordinary shares at period end

Method for calculating the weighted average return on net assets ratio and the weighted average income (loss) per share is as follows:

Weighted average return on net assets = the profit (loss) during the period under review ÷ [(net assets at beginning of the period + net assets at closing of the period) ÷ 2] x 100%

Weighted average income (loss) per share = profit (loss) during the period under review ÷ [(total number of shares at the beginning of the period + total number of shares at the closing of the period) ÷ 2]

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### (IV) Change of shareholders' equity during the period under review

(RMB'000)

Item	Capital	Capital Reserve	Surplus reserve fund	Statutory-public welfare fund	Retained profit (accumulated loss)	Total of Shareholders' equity
Opening balance	494,678	651,977	100,147	31,472	(629,073)	617,730
Additions	-	-	-	-	15,917	15,917
Deductions	-	-	-	778	109	109
Closing balance	<u>494,678</u>	<u>651,977</u>	<u>100,147</u>	<u>30,694</u>	<u>(613,265)</u>	<u>633,538</u>

Cause of change:

1. The retained profit was changed due to the realized profit of the year 2002 and appropriation of the staff award and welfare fund for the subsidiaries of the Company.
2. the statutory public welfare fund was decreased due to the Group's purchase of medical instruments with reserve fund for staff of the Company.

### (V) Principal activities summary

The turnover (note 1) and the results from the principal activities of the Group during the year under review are as follows:

Principal activities	Year ended 31st December, 2002			Year ended 31st December, 2001		
	Turnover		Gross profit (loss) before taxation	Turnover		Gross profit (loss) before taxation
	RMB'000	Percentage (%)	RMB'000	RMB'000	Percentage (%)	RMB'000
Shipbuilding	1,674,115	69.38	(29,285)	1,407,794	67.79	32,452
Container manufacturing	535,685	22.20	7,569	333,600	16.06	14,949
Shiprepairing	20,329	0.84	2,102	23,479	1.13	3,059
Steel structure	86,523	3.59	11,454	68,473	3.30	19,115
Other mechanical and electrical equipment	96,449	4	17,330	243,257	11.72	22,970
	<u>2,413,101</u>	<u>100</u>	<u>9,260</u>	<u>2,076,603</u>	<u>100</u>	<u>92,544</u>
Other activities profit			13,111			12,966
Operating expenses (note 2)			254,926			148,721
Business tax and surcharge			5,046			2,225
Investment income			2,010			8,733
Subsidy income			121,217			48,082
Net non-operating income/expenses			131,943			(54)

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Principal activities	Year ended 31st December, 2002			Year ended 31st December, 2001		
	Turnover		Gross profit (loss) before taxation	Turnover		Gross profit (loss) before taxation
	RMB'000	Percentage (%)	RMB'000	RMB'000	Percentage (%)	RMB'000
<b>Total profit (under PRC Enterprise Accounting System)</b>			<b>17,569</b>			<b>11,325</b>
<b>Reconciling items</b>						
Separate disclosure of share of associated companies' taxation			<b>163</b>			98
The realized gain on minority interest portion from inter-company transaction			–			502
Appropriation to staff and worker's bonus and welfare fund			<b>(109)</b>			–
Loss on fixed assets			–			(13,900)
Pre-operating expenses fully written off			–			(676)
Deficit on revaluation of investment properties			<b>(788)</b>			–
<b>Profit (loss) before taxation (under accounting principles generally accepted in Hong Kong)</b>			<b>16,835</b>			<b>(2,651)</b>

### Notes:

- 1 The definition of turnover, which represents the income from principal operations prepared in accordance with PRC Accounting Standards and Systems and the turnover in accordance with accounting principles generally accepted in Hong Kong, is set out in note 2(16) on page 58 and note 1(o) on page 100 to the Financial Statements respectively.
- 2 Operating expenses, including selling, administrative and financial expenses, represent non-distinctive amounts incurred in the various principal activities. As operating expenses incurred did not have a direct correlation with the respective activities, it is impracticable to analyze these expenses by activities.