

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	19,608
Net profit for the year	15,063
Profit excluding non-recurring items for the year	7,620
Principal operating profit	101,119
Other operating profit	1,743
Profit from operations	18,005
Investment income	(1,426)
Subsidy income	1,642
Net non-operating income	1,386
Cash flow from operating activities	93,983
Increase in cash and cash equivalents	2,883

Note: Profit excluding non-recurring items for the year exclude:

Unit: RMB'000

Net profit for the year	15,063
Less: Subsidy income	1,642
Less: Net non-operating income	1,386
Less: Allowance for inventories written back	4,415
Profit excluding non-recurring items for the year	7,620

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

Unit: RMB'000

Profit before taxation	19,867
Net profit for the year	15,324
Profit from operations	26,921
Other operating income	7,369
Administrative expenses and distribution costs	81,567
Finance costs	7,979
Non-operating expenses	—

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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

	Net profit for the year ended 31st December, 2003 RMB'000	Net assets as at 31st December, 2003 RMB'000
As per financial statements prepared under the PRC GAAP	15,063	521,841
Adjustments made in accordance with the HKGAAP		
Amortisation on deferred gain on sale and lease back transaction	(664)	—
Gain on sale of land use right	—	6,960
Gain on deemed partial disposal of a subsidiary	925	925
As per financial statements prepared under the HK GAAP	15,324	529,726

2. PRINCIPAL ACCOUNTING DATA AND FINANCIAL HIGHLIGHTS

(1) In accordance with the PRC GAAP

Items	Units	As at 31st December,				
		2003	2002	2001	2000	1999
Turnover	RMB'000	330,613	179,628	102,494	91,071	46,247
Net profit	RMB'000	15,063	6,077	2,051	3,576	(46,568)
Total assets	RMB'000	965,803	839,469	774,442	669,435	575,903
Shareholders' equity	RMB'000	521,841	506,778	499,034	509,337	505,761
Earnings per share	RMB/Share	0.061	0.025	0.008	0.015	(0.19)
Net assets per share	RMB/Share	2.13	2.07	2.04	2.08	2.06
Return on net assets	%	2.89	1.2	0.41	0.70	(9.21)
Net assets per share after adjustments	RMB/Share	2.12	2.06	2.03	2.01	2.00
Net cash flow from operating activities per share	RMB/Share	0.38	(0.018)	(0.06)	0.05	(0.04)

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

(2) In accordance with the HK GAAP

Items	Units	For the year ended 31st December,				
		2003	2002	2001	2000	1999
Turnover	RMB'000	330,613	179,628	102,494	91,071	46,247
Net profit for the year	RMB'000	15,324	6,726	8,236	1,375	(46,353)
Total assets	RMB'000	966,048	835,039	771,488	662,554	568,223
Total liabilities	RMB'000	412,931	307,999	263,812	163,114	70,158
Shareholders' equity	RMB'000	529,726	514,402	507,676	499,440	498,065
Earnings per share	Cents/Share	6.25	2.75	3.40	0.60	(18.90)
Net assets per share	RMB/Share	2.16	2.10	2.07	2.04	2.32
Return on net assets	%	2.89	1.31	1.62	0.28	(9.31)
Net assets per share after adjustments	RMB/Share	2.14	2.10	2.05	2.02	2.02
Net cash flow from operating activities per share	RMB/Share	0.36	0.51	(0.03)	0.07	(0.04)

Note: The shareholders' equity does not include minority shareholders' interests.
Certain comparative had been changed to conform with current year's classification.

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- (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	19.38	19.66	0.413	0.413
Profit from operations	3.45	3.50	0.073	0.073
Net profit for the year	2.89	2.93	0.061	0.061
Profit excluding non-recurring items for the year	1.46	1.48	0.031	0.031

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, 2003	245,007	305,280	16,813	8,406		(60,322)	506,778
Increase for the year	—	—	—	—		15,063	15,063
Decrease for the year	—	—	—	—		—	—
As at 31st December, 2003	245,007	305,280	16,813	8,406		(45,259)	521,841

Reason for change: Increase in net profit during the reporting period.

- (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, 2003	245,007	293,745	10,225	8,406	8,406		(51,387)	514,402
Increase for the year	—	—	—	—	—		15,324	15,324
Decrease for the year	—	—	—	—	—		—	—
Transfer	—	—	—	311	155		(466)	—
As at 31st December, 2003	245,007	293,745	10,225	8,717	8,561		(36,529)	529,726