

# Financial and Business Summary

## 1. The results of the Company and the Group for the current year prepared under the PRC Accounting Rules and Regulations are as follows:

	2003 Rmb'000	2002 Rmb'000
Total Loss	(340,218)	(390,220)
Net loss	(342,513)	(344,691)
Net loss excluding non-operating profit and loss	(339,205)	(336,335)
Profit from principal operations	140,146	34,472
Other operating profit	—	—
Operating loss	(270,150)	(339,269)
Investment (loss)/income	(69,055)	2,934
Subsidy income	—	—
Non-operating loss (net of profit)	(1,013)	(53,885)
Net cash inflow from operating activities	120,242	26,192
Net decrease in cash and cash equivalent	(48,311)	(20,146)

Items and amounts of deducting non-regular profit and loss

Items of non-regular profit and loss	Amount
Non-operating income	Rmb8,892,000
Non-operating expenses	Rmb9,905,000

## 2. Major financial data and financial indicators for the previous three years of the Group

### (1) Prepared in accordance with the PRC Accounting Rules and Regulations (for the year ended 31 December)

	2003 Rmb'000	2002 Rmb'000	2001 Rmb'000
Income from principal operations	978,846	825,194	817,277
Net (loss) / profit	(342,513)	(344,691)	9,868
Total assets	2,323,655	2,835,698	3,121,000
Shareholders' funds (excluding minority interests)	875,920	1,218,037	1,562,584
(Loss)/profit per share (diluted)	(0.489)	(0.492)	0.014
(Loss)/profit per share (weighted)	(0.489)	(0.492)	0.014
Net assets per share (diluted) (Yuan)	1.25	1.74	2.23
Adjusted net assets per share (Yuan)	0.61	0.81	1.23
(Loss)/return on net assets (%) (diluted)	(39.10)	(28.30)	0.63
(Loss)/return on net assets (%) (weighted)	(39.10)	(28.30)	0.63
Cash flow from operating activities per share (Yuan)	0.172	0.037	0.124

### (2) Return on net assets calculated as required by "No.9 Document of Regulations of Information Disclosure for Public Companies" issued by China Securities Regulatory Commission:

#### 2003

##### Profit/(loss) during the reporting period

	Return on net asset Fully dilluted Rmb	Weighted average Rmb	Earnings/(loss) per share Fully dilluted Rmb	Weighted average Rmb
Profit from principal operations	16	16	0.20	0.20
Operating loss	(30.84)	(30.84)	(0.39)	(0.39)
Net loss	(39.10)	(39.10)	(0.489)	(0.489)
Net loss excluding non-operationg profit and loss	(38.73)	(38.73)	(0.485)	(0.485)

#### 2002

##### Profit/(loss) during the reporting period

	Return on net asset Fully dilluted Rmb	Weighted average Rmb	Earnings/(loss) per share Fully dilluted Rmb	Weighted average Rmb
Profit from principal operations	2.83	2.83	0.049	0.049
Operating loss	(15.05)	(15.05)	(0.485)	(0.485)
Net loss	(28.30)	(28.30)	(0.492)	(0.492)
Net loss excluding non-operationg profit and loss	(27.61)	(27.61)	(0.48)	(0.48)

# Financial and Business Summary *(Continued)*

## 2. Major financial data and financial indicators for the previous three years of the Group *(continued)*

### (3) Changes in shareholders' funds during the year (prepared under the PRC Accounting Rules and Regulations)

Items	Share capital <i>Shares'000</i>	Capital reserve <i>Rmb'000</i>	Surplus reserves <i>Rmb'000</i>	Statutory public welfare fund <i>Rmb'000</i>	Accumulated deficit <i>Rmb'000</i>	Total shareholders' funds <i>Rmb'000</i>
Balance at the beginning of the period	700,000	970,132	223,806	55,142	(675,901)	1,218,037
Increase/(decrease) during the period		396	268	90	(342,513)	(341,849)
Decrease during the period					(268)	(268)
Balance at the end of the period	700,000	970,528	224,074	55,232	(1,018,682)	875,920

Reasons for changes:

1. Statutory public welfare fund was included in surplus reserves.
2. Change of accumulated deficit during the reporting year is the result of a loss of Rmb342,513,000 for the reporting period and a transfer of Rmb268,000 to the surplus reserve.

### (4) Prepared under International Financial Reporting Standards ("IFRS") (for the year ended 31 December)

	2003 <i>Rmb'000</i>	2002 <i>Rmb'000</i>	2001 <i>Rmb'000</i>
Turnover	975,816	822,804	813,385
(Loss) / profit attributable to shareholders after taxation	(340,021)	(342,449)	9,868
Total assets	2,234,918	2,746,358	3,100,509
Shareholders' funds (excluding minority interests)	789,476	1,129,497	1,562,584
Loss/(earnings) per share (basic and diluted) (Yuan)	(0.486)	(0.492)	0.014
Net assets per share (Yuan)	1.13	1.61	2.23
Net asset (loss) / return on net assets (%)	(43.07)	(30.31)	0.63

Note: The profits and other financial indicators are calculated based on the number of shares of 700,000,000.

## 3. Please refer to the Financial Report in this annual report for major differences between financial statements of the Group and the Company prepared under the PRC Accounting Rules and Regulations and IFRS.

