

Financial Data and Financial Highlights

EXTRACTED FROM THE ACCOUNTS PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS AND SYSTEMS

Items	2004 RMB'000
1. Total profit	167,642
2. Net profit	55,292
3. Net profit after non-operating items (note)	63,170
4. Profit from principal operations	1,372,489
5. Profit from other operations	39,008
6. Operating profit	183,421
7. Income from investments	(4,736)
8. Government grants and subsidies	589
9. Net non-operating results	(11,632)
10. Net cash inflows from operating activities	200,542
11. Net increase in cash and cash equivalents	64,386

Note: Non-operating items included

Items	Amount (RMB'000)
Losses on disposal of long-term equity investment, fixed assets, construction in progress, intangible assets and other long-term assets	(3,705)
Government grants and subsidies	589
Gain from short-term investments (excluding losses/gain from short-term investments entrusted to qualified financial institutions)	632
Net non-operating results	6,519
Non-operating expenses after deducting provision for value impairment of assets made in accordance with the Enterprise Accounting Regulations	13,795
Reversal of provisions for impairments made in the previous years	457
Income tax effect	(983)
Minority interests	(443)
Total	(7,878)

Financial Data and Financial Highlights

DIFFERENCES BETWEEN THE NET ASSETS AND NET PROFIT / PROFIT ATTRIBUTABLE TO SHAREHOLDERS CALCULATED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS AND SYSTEMS AND HK GAAP

	As at 31 December 2004 RMB'000	As at 31 December 2003 RMB'000
Net assets under PRC accounting standards and systems	2,440,230	2,429,476
Intangible assets capitalised	48,125	58,571
Difference arising from fixed assets revaluation	130,833	132,808
Deferred government grants income	(3,243)	—
Difference in provision for employee benefits in medical insurance	(61,306)	(66,782)
Deferred taxation, net impact	5,981	12,708
Difference in minority interests	(15,028)	(15,364)
	<u>2,545,592</u>	<u>2,551,417</u>
	2004	2003
	RMB'000	RMB'000
Net profit under PRC accounting standards and systems	55,292	139,795
Amortisation of intangible assets	(10,446)	(10,446)
Additional depreciation on revalued fixed assets	(1,975)	(1,975)
Research and development cost underprovided	—	(4,228)
Government grants recognised as income	361	290
Reversal of difference in provision for employee benefits in medical insurance	5,476	4,980
Deferred taxation, net impact	(6,727)	(13,882)
Appropriation to staff bonus and welfare fund charged as expenses	(2,693)	(2,507)
Bad debt recovered	—	26,067
Income arising from dilution of equity interest in a subsidiary	—	3,565
Loss arising from dilution in minority interests in a subsidiary	(1,908)	—
Unsettled long outstanding payables written off recognised as income	5,113	7,224
Differences in minority interests	336	(2,216)
	<u>42,829</u>	<u>146,667</u>
Profit attributable to shareholders under HK GAAP		

Financial Data and Financial Highlights

PRINCIPAL FINANCIAL DATA AND FINANCIAL INDICATORS

1. Extracted from the accounts prepared in accordance with PRC accounting standards and systems

Indicators	2004	2003	2002	
			Before restatement	After Restatement
Income from principal operations (RMB'000)	7,708,314	6,971,963	5,943,823	5,943,823
Net profit (RMB'000)	55,292	139,795	158,478	158,478
Total assets (RMB'000)	5,182,878	4,707,039	4,173,194	4,173,194
Shareholders' equity (excluding minority interests) (RMB'000)	2,440,230	2,429,476	2,286,929	2,335,583
Earnings per share (RMB)	0.07	0.17	0.20	0.20
Net assets per share (RMB)	3.01	3.00	2.82	2.88
Adjusted net assets per share (RMB)	2.96	2.92	2.74	2.80
Net cash inflows from operating activities per share (RMB)	0.25	(0.01)	0.21	0.21
Return on net assets (fully diluted) (%)	2.27	5.75	6.93	6.79
Return on net assets (weighted average) (%)	2.27	5.87	7.04	6.96
Return on net assets after deducting non-operating items (weighted average) (%)	2.63	6.06	7.20	7.12
Ratio of shareholders' funds (excluding minority interests)	47.08	51.61	54.80	55.97
Gearing ratio (%)	49.13	44.84	41.94	40.78

Note: Gearing ratio is calculated according to the following formula: total liabilities/total assets x 100%

Financial Data and Financial Highlights

2. Extracted from the accounts prepared in accordance with HK GAAP

Indicators	2004	As restated			
		2003	2002	2001	2000
Turnover (RMB'000)	7,709,565	6,973,113	5,943,823	5,334,029	4,222,857
Profit before taxation (RMB'000)	161,675	307,829	196,360	205,987	204,572
Profit attributable to shareholders (RMB'000)	42,829	146,667	101,155	95,868	135,250
Total assets (RMB'000)	5,413,438	4,954,091	4,410,210	3,877,969	3,256,426
Total liabilities (including minority interests) (RMB'000)	2,867,846	2,402,674	1,956,130	1,469,539	1,657,609
Shareholders' funds (RMB'000)	2,545,592	2,551,417	2,454,080	2,408,430	1,598,817
Earnings per share (RMB)	0.053	0.181	0.125	0.119	0.185
Net assets per share (RMB)	3.14	3.15	3.03	2.97	2.18
Return on net assets (%)	1.68	5.75	4.12	3.98	8.46
Ratio of shareholders' funds (%)	47.02	51.50	55.65	62.11	49.10
Gearing ratio (%) (Note)	52.98	48.50	44.35	37.89	50.90

Note: Gearing ratio is calculated according to the following formula: total liabilities/total assets x 100%

FINANCIAL INDICATORS AS REQUIRED BY THE INFORMATION DISCLOSURE FOR COMPANIES ISSUING LISTED SECURITIES (NO. 9) PROMULGATED BY THE CHINA SECURITIES REGULATORY COMMISSION (THE "CSRC") (PREPARED IN ACCORDANCE WITH PRC ACCOUNTING STANDARDS AND SYSTEMS)

Profit for the Reporting Period	Return on net assets (%)		Earnings per share (RMB)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	56.24	56.42	1.69	1.69
Operating profit	7.52	7.54	0.23	0.23
Net profit	2.27	2.27	0.07	0.07
Net profit after deducting non-operating items	2.59	2.63	0.08	0.08

Financial Data and Financial Highlights

CHANGE IN SHAREHOLDERS' FUNDS DURING THE YEAR (CONSOLIDATED)

Extracted from the accounts prepared in accordance with PRC accounting standards and systems

Items	Share Capital RMB'000	Capital Reserve RMB'000	Surplus Reserve RMB'000	Include: Statutory Public Welfare Fund RMB'000	Retained Earnings RMB'000	Total Equity RMB'000
Opening balance	810,900	1,119,572	416,446	134,459	82,558	2,429,476
Additions	—	8,932	64,150	19,114	55,445	128,527
Deductions	—	2,123	153	—	115,498	117,774
Closing balance	<u>810,900</u>	<u>1,126,381</u>	<u>480,442</u>	<u>153,572</u>	<u>22,506</u>	<u>2,440,230</u>

Reasons for the change:

1. Increase in capital reserve for the Reporting Period was mainly due to the transfer from the government subsidies capitalised into fixed assets and accounts payable;
2. The change in surplus reserve was mainly due to the amount transferred from the net profit of the Group for the Year.

EXTRACTED FROM THE ACCOUNTS PREPARED IN ACCORDANCE WITH HK GAAP

Items	Share Capital RMB'000	Share Premium RMB'000	Capital Reserve RMB'000	Statutory Surplus Reserve RMB'000	Statutory Public Welfare Fund RMB'000	Discretionary Surplus Reserve RMB'000	Retained Earnings RMB'000	Total Equity RMB'000
As at 1 January 2004	810,900	781,134	397,589	194,306	134,459	87,681	145,348	2,551,417
Profit for the year	—	—	—	—	—	—	42,829	42,829
2003 final dividend paid	—	—	—	—	—	—	(48,654)	(48,654)
Transfer from retained earnings	—	—	2,243	23,716	19,114	21,319	(66,392)	—
As at 31 December 2004	<u>810,900</u>	<u>781,134</u>	<u>399,832</u>	<u>218,022</u>	<u>153,573</u>	<u>109,000</u>	<u>73,131</u>	<u>2,545,592</u>