Supplement (under PRC GAAP)

1. SUMMARY OF DIFFERENCES BETWEEN IFRS AND PRC GAAP

The financial statements are prepared in accordance with PRC GAAP, which differs from that under IFRS. For the year ended December 31, 2003, under PRC GAAP net profit is 1,105,365 (RMB'000) and shareholders' equity is 11,023,611 (RMB'000). The summary of differences of net profit and shareholder's equity between PRC GAAP and IFRS in this year are as follows:

	Net profit for the year RMB'000	Net assets at December 31, 2003 RMB'000
As per the financial statements prepared under PRC GAAP Adjustments under IFRS:	1,105,365	11,023,611
Reversal of Wei Jian FeiDeferred tax effect	259,674 65	- 88,872
Release of negative goodwill to incomeDeemed interest expensesOthers	27,620 (5,261) (777)	82,860 (104,812) (7,292)
As per financial statements prepared under IFRS	1,386,686	11,083,239

2. RETURN ON SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE CALCULATED BY **DILUTED METHOD AND WEIGHTED AVERAGE METHOD**

Profit for the reporting period	Return on shareholders' equity		Earnings per share RMB		
		Weighted		Weighted	
	Diluted	average	Diluted	average	
Income from principal operations	41.06	43.15	1.58	1.58	
Operating profits	15.24	16.02	0.59	0.59	
Net profit	10.03	10.54	0.39	0.39	
Net profit excluding extraordinary gain (loss)	9.98	10.49	0.38	0.38	
Note: Net profit excluding extraordinary gain (loss)				2003 RMB	
Net profit			_	1,105,364,647	
Add: Non-operating expenses Less: Non-operating income Subsidy income Interest on designated deposit Add: Tax effect on extraordinary gain (loss)			_	22,770,468 17,341,590 8,194,472 4,183,333 2,115,503	
Net profit excluding extraordinary gain (loss):			=	1,100,531,223	

3. LIST OF PROVISION FOR IMPAIRMENT LOSS ON ASSETS

Unit: RMB Yuan

		2003.1.1 Provision		rovision	Reversal		Other transfer out		2003.12.31		
		The	The	The	The	The	The	The	The	The	The
	Item	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
1.	Total provision for bad debts	79,622,273	79,622,273	80,271,568	80,271,568	-	-	(46,581,701)	(46,581,701)	113,312,140	113,312,140
	- Accounts receivable	76,083,402	76,083,402	71,124,922	71,124,922	-	-	(46,581,701)	(46,581,701)	100,626,623	100,626,623
	- Other receivables	3,538,871	3,538,871	9,146,646	9,146,646					12,685,517	12,685,517
2.	Total provision for loss on current										
	investment	-	-	-	-	-	-	-	-	-	-
	- Bond investment										
3.	Total provision for loss on inventory	ı –	_	-	_	-	-	_	-	-	-
	- Raw material	-	-	-	-	-	-	-	-	-	-
	- Finished goods										
4.	Total provision for loss on										
	long-term investment	_	-	_	_	_	_	_	_	_	_
	– Long-term equity investment	-	-	-	-	-	-	-	-	-	_
5.	Total provision for loss on fixed ass	sets –	-	-	-	-	-	-	-	-	-
	- Buildings	-	-	-	-	-	-	-	-	-	-
	– Mining structure	-	-	-	-	-	-	-	-	-	-
	- Railway structure	-	-	-	-	-	-	-	-	-	-
	- Habour works and craft	-	-	-	-	-	-	-	-	-	-
	- Plant, machinery and equipment	-	-	-	-	-	-	-	-	-	-
	- Transportation equipment										
6.	Total provision for loss on										
	intangible assets	-	-	-	-	-	-	-	-	-	-
	- Land use rights	-	-	-	-	-	-	-	-	-	-
	– Mining rights	-	-	-	-	-	-	-	-	-	-
	– Goodwill										
7.	Provision for loss on fixed										
	assets under construction							-			
C	Dravision for loop										
8.	Provision for loss on										
	designated deposit										

Supplement (under PRC GAAP) (Cont'd)

4. ANALYSIS OF ITEMS WHICH FLUCTUATED OVER 30% (INCLUDING 30%), AND ACCOUNTING FOR 5% (INCLUDING 5%) OF THE TOTAL ASSETS ON THE BALANCE SHEET DATE OR 10% (INCLUDING 10%) OF THE TOTAL PROFITS FOR THE REPORTING YEAR:

Unit: RMB Yuan

	December 3	31, 2003	December 31, 2002			
		Percentage in				
Items in balance sheet	Amount	total assets	Amount	Fluctuation	Reason	
Notes receivable	700,388,322	5%	239,974,223	192%	Note 1	

Note 1: In 2003, as the Company strengthened the management of bank balances and cash, the bank balances and cash is plenty with higher utilization efficiency. As a result, no notes receivable has been discounted.

Unit: RMB Yuan

Items in statement of income and profits appropriation	2003 Amount	Percentage in total profits	2002 Amount	Fluctuation	Reason
Cash dividend proposed after the balance sheet date	470,680,000	28%	298,480,000	58%	Note 2

Note 2: As a return for the extended and continuous support from the shareholders to the Company, the Company proposed an extra cash dividend of year 2003 to the shareholders, besides the normal dividends appropriated under the persistent dividend policy.