

Supplement (under PRC GAAP)

For the year ended December 31, 2003

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	1,105,365	11,023,611
Adjustments under IFRS:		
– Reversal of Wei Jian Fei	259,674	–
– Deferred tax effect	65	88,872
– Release of negative goodwill to income	27,620	82,860
– Deemed interest expenses	(5,261)	(104,812)
– Others	(777)	(7,292)
	<u>1,386,686</u>	<u>11,083,239</u>
As per financial statements prepared under IFRS	<u>1,386,686</u>	<u>11,083,239</u>

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	
	Diluted	Weighted average	Diluted	Weighted 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	<u>1,105,364,647</u>
Add: Non-operating expenses	22,770,468
Less: Non-operating income	17,341,590
Subsidy income	8,194,472
Interest on designated deposit	4,183,333
Add: Tax effect on extraordinary gain (loss)	2,115,503
Net profit excluding extraordinary gain (loss):	<u><u>1,100,531,223</u></u>

Supplement (under PRC GAAP) (Cont'd)

For the year ended December 31, 2003

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

Items in balance sheet	December 31, 2003		December 31, 2002		
	Amount	Percentage in 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		2002		
	Amount	Percentage in total profits	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.