

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

	2004	2003	Unit: Rmb'000 2002
Turnover	23,177,863	14,482,148	10,746,477
Profit before taxation	2,664,460	1,752,435	857,482
Taxation	866,873	319,433	259,166
Net profit	1,797,587	1,433,002	598,316
Total assets	14,899,934	14,845,674	12,293,565
Total liabilities	4,877,658	6,030,289	4,619,310
Shareholders' funds	10,022,276	8,815,385	7,674,255
Net assets per share	Rmb3.38	Rmb2.98	Rmb2.58
Earnings per share (basic)	Rmb0.607	Rmb0.484	Rmb0.202
Earnings per share (diluted)	Rmb0.606	Rmb0.484	Rmb0.202
Return on net assets	17.94%	16.25%	7.82%

PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING RULES AND REGULATIONS

1. The Group's main accounting data for the year

For the year ended 31 December 2004

	Unit: Rmb'000
Total profit	2,632,743
Net profit	1,776,337
Net profit before deduction of the profit and loss of non-operating items	1,777,329
Profit from principal operations	3,363,488
Profit from other operations	96,434
Operating profit	2,633,990
Proceeds from investment	233
Income from subsidies	—
Non-operating net income / (expenses)	(1,480)
Net cash flow arising from operating activities	1,594,803
Net increase / (decrease) in cash and cash equivalents	141,157



PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING RULES AND REGULATIONS (continued)

1. The Group's main accounting data for the year (continued)

Notes: Amounts of the profit and loss of non-operating items deducted by the Group during the Reporting Period:

The profit and loss of non-operating items	Contribution to profit (Rmb'000)
Non-operating income	-222
Non-operating expenses	1,702
Relevant income tax	-488
Total	992

2. The Company recorded net profit of Rmb1,776,337,000 under the PRC Accounting Rules and Regulations and net profit of Rmb1,797,587,000 under IFRS for 2004. The difference was Rmb21,250,000 and the reasons were:

- (1) Profits increased by Rmb26,293,000 due to the pre-operating expenses of the joint venture company;
- (2) Profits increased by Rmb997,000 due to capitalization of general loan interests;
- (3) Profits increased by Rmb4,536,000 due to amortization of revaluation of land use rights;
- (4) Profits decreased by Rmb109,000 due to amortization of rental prepayments;
- (5) Profits decreased by Rmb10,467,000 due to deferred taxation.

PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING RULES AND REGULATIONS (continued)

3. Major accounting data and financial indices of the Group for the recent three years

	2004	2003	2002
			<i>Unit: Rmb'000</i>
Income from principal operations	23,227,617	14,520,736	10,771,077
Net profit	1,776,337	1,432,579	594,588
Net profit before deduction of non-operating items	1,777,329	1,474,662	612,937
Total assets	15,343,328	15,011,870	12,425,350
Shareholders' funds (without minority interest)	10,133,942	8,948,268	7,805,448
Earnings per share (weighted average)	Rmb0.600	Rmb0.484	Rmb0.20
Earnings per share (diluted)	Rmb0.600	Rmb0.484	Rmb0.20
Earnings per share after taking up post balance sheet date equity change	Rmb0.600	Rmb0.484	Rmb0.20
Net assets per share	Rmb3.42	Rmb3.02	Rmb2.64
Adjusted net assets per share	Rmb3.42	Rmb3.01	Rmb2.63
Net cash flows per share from operating activities	Rmb0.538	Rmb0.675	Rmb0.71
Return on net assets (diluted)	17.53%	16%	7.62%
Return on net assets (weighted average)	18.62%	17.05%	7.78%
Return on net asset after deduction of non-operating items (weighted average)	18.63%	17.55%	8.02%

4. Return on net assets and earnings per share for the reporting period of 2004 as calculated in accordance with the "Regulations for Preparation and Reporting of Information Disclosure by Listed Companies (No.9)" issued by China Securities Regulatory Commission

	Return on net assets (%)		Earnings per share (Rmb / share)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	33.19	35.25	1.135	1.135
Operating profit	25.99	27.61	0.889	0.889
Net profit	17.53	18.62	0.600	0.600
Net profit after deduction of non-operating items	17.54	18.63	0.600	0.600

PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING RULES AND REGULATIONS (continued)

5. Changes in shareholders' funds during the reporting period

Unit: Rmb'000

	Share capital	Capital reserve	Surplus reserve	Statutory public welfare fund	Undistributed profit	Total shareholders' fund
As at 1 January 2004	2,962,309	3,083,648	770,594	385,297	2,131,717	8,948,268
Increase during 2004	633	1,267	355,266	177,633	1,776,337	2,133,503
Decrease during 2004	—	—	—	—	947,829	947,829
As at 31 December 2004	2,962,942	3,084,915	1,125,860	562,930	2,960,225	10,133,942

Reasons for the changes:

- (1) Share capital: The Company issued convertible debentures for A Shares of Rmb1.5 billion in the PRC from 15 March 2000 to 17 March 2000. Such debentures had been converted into 633,594 A Shares during the period from 1 January 2004 to 31 December 2004;
- (2) Capital reserve increased by Rmb1,267,000 from the conversion of convertible debentures into A Shares;
- (3) The changes in surplus reserve and statutory public welfare were due to the contribution of 10% of profit after tax to the statutory surplus reserve and statutory public welfare fund respectively;
- (4) The changes in undistributed profit were due to the net profit amounting to Rmb1,776,337,000 generated for the year, the contribution to the statutory surplus reserve and statutory public welfare fund of Rmb355,266,000 as well as the distribution of dividends of Rmb592,563,000.