

Financial Highlights

Prepared under PRC Accounting Rules and Regulations (*Unaudited*)

1. Major business data for the first half of 2005

Item	RMB'000
Total profit	2,042,636
Net profit	1,650,520
Profit from principal operations	3,145,761
Profit from other operations	68,785
Profit from operations	2,303,182
Investment loss	(116,089)
Non-operating loss, net	(144,457)
Net decrease of cash and cash equivalents	(290,243)

2. Major financial data and financial indicators

	30 June 2005	31 December 2004	Increase/(decrease) compared to the beginning of the year (%)
Current assets (RMB'000)	8,828,936	8,613,655	2.449
Current liabilities (RMB'000)	8,584,856	7,432,559	15.503
Total assets (RMB'000)	28,707,848	28,757,089	(0.171)
Shareholders' equity(excluding minority interests)(RMB'000)	19,112,801	18,902,281	1.114
Net asset value per share (RMB)	2.655	2.625	1.143
Adjusted net asset value per share(RMB)	2.652	2.623	1.106

	Six-month periods ended 30 June		Increase/(decrease) compared to the period ended 30 June 2004 (%)
	2005	2004	
Net profit ('000)	1,650,520	1,531,200	7.793
Net profit excluding non-recurring items ('000)	1,773,308	1,645,861	7.743
Earnings per share (RMB)	0.229	0.213	7.512
Return on net assets (%)	8.636	9.301	(7.150)
Net cash flows from operating activities ('000)	1,778,441	1,688,101	5.352

	Amount RMB'000
Non-recurring items	(10,766)
Non-operating income	155,223
Non-operating expenses excluding provision for impairment loss on fixed assets	(21,669)
Tax adjustments for the above items	122,788
Total	122,788

3. Differences between financial statements prepared under PRC Accounting Rules and Regulations and financial report prepared under IFRS

	PRC Accounting Rules and Regulations		IFRS
	RMB'000		RMB'000
Net profit	1,650,520		1,763,442
Shareholder's equity	19,112,801		18,742,980

Explanation of differences: For details, please refer to Section C of the interim financial report.

4. Return on net assets and earnings per share prepared in compliance with the "Regulation on the preparation of information disclosures by companies publicly issuing securities, No.9" issued by the China Securities Regulatory Commission:

Profit in reporting period	Return on net assets(%)				Earnings per share(RMB)			
	Fully diluted		Weighted average		Fully diluted		Weighted average	
	For the six-month periods				For the six-month periods			
	ended 30 June				ended 30 June			
	2005	2004	2005	2004	2005	2004	2005	2004
Profit from principal operations	16.459	17.30	15.946	17.82	0.437	0.40	0.437	0.40
Profit from operations	12.050	12.07	11.675	12.43	0.320	0.28	0.320	0.28
Net profit	8.636	9.30	8.367	9.58	0.229	0.21	0.229	0.21
Net profit excluding non-recurring items	9.278	10.00	8.989	10.30	0.246	0.23	0.246	0.23

5. Various provisions under PRC Accounting Rules and Regulations:

Description	The Group			
	As at 31 December 2004	Increase for the period	Write-off for the period	As at 30 June 2005
	RMB'000	RMB'000	RMB'000	RMB'000
Total provision for bad debts	54,974	1,978	(686)	56,266
Of which: Trade debtors	45,282	1,978	(686)	46,574
Other debtors	9,692	-	-	9,692
Total provision for diminution in short-term investment	-	-	-	-
Of which: Stock investment	-	-	-	-
Bond investment	-	-	-	-
Total provision for diminution in inventories	56,670	-	(4,518)	52,152
Of which: Finished goods	3,780	-	(3,780)	-
Spare parts and consumables	52,890	-	(738)	52,152
Total provision for impairment losses of long-term investments	61,750	960	(1,304)	61,406
Of which: Long-term equity investments	61,750	960	(1,304)	61,406
Long-term bond investments	-	-	-	-
Total provision for impairment losses of fixed assets	58,945	-	-	58,945
Of which: Land and buildings	-	-	-	-
Plant, machinery, equipment and others	58,945	-	-	58,945
Total provision for impairment losses of intangible assets	-	-	-	-
Of which: Patent rights	-	-	-	-
Trade mark rights	-	-	-	-
Provision for impairment losses of construction in progress	-	-	-	-
Provision for diminution in designated loan	-	-	-	-
24 Total provisions	232,339	2,938	(6,508)	228,769

Description	The Company			
	As at 31 December 2004 RMB'000	Increase for the period RMB'000	Write-off for the period RMB'000	As at 30 June 2005 RMB'000
Total provision for bad debts	23,965	-	-	23,965
Of which: Trade debtors	19,610	-	-	19,610
Other debtors	4,355	-	-	4,355
Total provision for diminution in short-term investment	-	-	-	-
Of which: Stock investment	-	-	-	-
Bond investment	-	-	-	-
Total provision for diminution in inventories	47,550	-	-	47,550
Of which: Finished goods	-	-	-	-
Spare parts and consumables	47,550	-	-	47,550
Total provision for impairment losses of long-term investments	-	-	-	-
Of which: Long-term equity investments	-	-	-	-
Long-term bond investments	-	-	-	-
Total provision for impairment losses of fixed assets	58,945	-	-	58,945
Of which: Land and buildings	-	-	-	-
Plant, machinery, equipment and others	58,945	-	-	58,945
Total provision for impairment losses of intangible assets	-	-	-	-
Of which: Patent rights	-	-	-	-
Trade mark rights	-	-	-	-
Provision for impairment losses of construction in progress	-	-	-	-
Provision for diminution in designated loan	-	-	-	-
Total provisions	130,460	-	-	130,460

6. Changes in shareholders' equity

Item	Six-months Period ended 30 June 2005 RMB'000	Twelve-months Period ended 31 December 2005 RMB'000
Share capital		
At the beginning of the period	7,200,000	7,200,000
Increase during the period	-	-
Decrease during the period	-	-
At the end of the period	<u>7,200,000</u>	<u>7,200,000</u>
Capital reserve		
At the beginning of the period	2,856,278	2,856,278
Increase during the period	-	-
Decrease during the period	-	-
At the end of the period	<u>2,856,278</u>	<u>2,856,278</u>
Surplus reserve		
At the beginning of the period	2,820,394	2,423,267
Increase during the period	-	397,127
Statutory Surplus reserve	-	397,127
Decrease during the period	-	-
At the end of the period	<u>2,820,394</u>	<u>2,820,394</u>
Of which: Statutory Surplus reserve	<u>1,457,791</u>	<u>1,457,791</u>
Statutory public welfare fund		
At the beginning of the period	1,375,702	978,575
Increase during the period	-	397,127
Of which: retain from net profits	-	397,127
Decrease during the period	-	-
At the end of the period	<u>1,375,702</u>	<u>1,375,702</u>
Undistributed profits		
At the beginning of the period	4,649,907	2,048,896
Increase during the period	1,650,520	3,971,265
Decrease during the period	1,440,000	1,370,254
At the end of the period	<u>4,860,427</u>	<u>4,649,970</u>