

## Extracts of Accounting and Business Data

### 1) TOTAL PROFIT OF THE COMPANY AND ITS SUBSIDIARIES (THE "GROUP") RECORDED FOR THE YEAR AND ITS BREAKDOWN PREPARED UNDER PRC ACCOUNTING STANDARDS (UNIT: RMB'000):

Profit before tax	3,322,267
Net profit	2,847,620
Net profit excluding non-recurring gains or losses	2,877,608
Profit from principal operating activities	4,569,482
Other operating profit	116,215
Operating profit	3,337,580
Investment income	18,745
Subsidies income	1,993
Non-operating income and expenses, net	(36,051)
Net cash flows from operating activities	6,170,942
Net increase in cash and cash equivalents	936,394

Note: Items and amounts of non-recurring gains or losses for the current reporting period (Unit: RMB'000):

Items	Amount
Net loss on disposal of fixed assets	(19,114)
Subsidies income	1,993
Other non-operating income and expenses, net	(16,937)
Income tax effect	4,070
Total non-recurring gains or losses, net	<u>(29,988)</u>

### 2) EFFECTS ON NET PROFIT OF MAJOR DIFFERENCE IN THE CONSOLIDATED ACCOUNTING STATEMENTS PREPARED UNDER PRC ACCOUNTING STANDARDS AND HONG KONG ACCOUNTING STANDARDS FOR THE YEAR ARE SUMMARISED AS FOLLOWS (UNIT: RMB'000):

Net profit under Hong Kong Accounting Standards	2,909,943
Add:	
Deferred tax expenses	(18,441)
Employee bonus and welfare fund	4,616
Less:	
Recognition of deferred income	<u>(48,498)</u>
Net profit under PRC Accounting Standards	<u>2,847,620</u>

Note: Please see Note V (47) of Notes to Financial Statements prepared under PRC Accounting Standards and Note 42 of Notes to Financial Statements prepared under Hong Kong Accounting Standards for reason of differences.

## Extracts of Accounting and Business Data (continued)

### 3) MAJOR ACCOUNTING FIGURES AND FINANCIAL INDICATORS FOR THE LAST FIVE YEARS (UNIT: RMB'000):

#### (1) Prepared under PRC Accounting Standards

Index item	2005	2004	2003	2002	2001
Principal operating income	<b>32,083,096</b>	26,770,055	15,740,348	10,973,917	9,547,929
Profit before tax	<b>3,322,267</b>	4,029,637	2,987,914	479,702	297,131
Tax	<b>433,775</b>	441,258	193,770	95,261	88,735
Minority interests	<b>40,872</b>	12,572	1,173	–	–
Net profit	<b>2,847,620</b>	3,575,807	2,792,971	384,441	208,396
Earnings per share (RMB)					
Fully diluted	<b>0.441</b>	0.554	0.433	0.060	0.032
Weighted average	<b>0.441</b>	0.554	0.433	0.060	0.032
Net cash flows from operating activities per share (RMB)	<b>0.9559</b>	0.9453	0.5528	0.4012	0.2147
Return on net assets (%)					
Fully diluted	<b>15.08</b>	20.51	18.67	3.18	1.75
Weighted average	<b>15.10</b>	21.35	20.71	3.18	1.72
Return on net assets excluding non-recurring gains or losses (%)					
Fully diluted	<b>15.24</b>	20.46	18.72	6.82	3.91
Weighted average	<b>15.26</b>	21.30	20.77	6.82	3.84
<b>Index item</b>	<b>At the end of 2005</b>	At the end of 2004	At the end of 2003	At the end of 2002	At the end of 2001
Total assets	<b>38,878,377</b>	31,461,195	26,355,229	17,138,511	16,723,013
Total liabilities	<b>19,858,472</b>	13,949,302	11,359,464	5,049,743	4,816,800
Minority interests	<b>138,189</b>	76,315	35,420	–	–
Shareholders' funds	<b>18,881,716</b>	17,435,578	14,960,345	12,088,768	11,906,213
Net assets per share (RMB)	<b>2.92</b>	2.70	2.32	1.87	1.84
Adjusted net assets per share (RMB)	<b>2.92</b>	2.70	2.32	1.87	1.84

## Extracts of Accounting and Business Data (continued)

### (2) Prepared under Hong Kong Accounting Standards

Index item	2005	2004	2003	2002	2001
Turnover	<b>32,083,096</b>	26,770,055	15,740,348	10,973,917	9,547,929
Profit before tax	<b>3,366,149</b>	4,065,876	2,864,232	403,194	241,016
Tax	<b>415,334</b>	460,984	203,861	63,465	79,274
Minority interests	<b>40,872</b>	12,572	1,173	–	–
Net profit from ordinary activities attributable to shareholders	<b>2,909,943</b>	3,592,320	2,659,198	339,729	161,742
Earnings per share (RMB)					
Fully diluted	<b>0.451</b>	0.556	0.412	0.053	0.025
Weighted average	<b>0.451</b>	0.556	0.412	0.053	0.025
Net cash flows from operating activities per share (RMB)	<b>0.9078</b>	0.9935	0.5528	0.4167	0.1989
Return on net assets (%)					
Fully diluted	<b>15.72</b>	21.10	17.98	2.75	1.33
Weighted average	<b>15.75</b>	21.66	19.43	2.76	1.33
Return on net assets excluding non-recurring gains or losses (%)					
Fully diluted	<b>15.88</b>	21.05	18.04	6.31	3.45
Weighted average	<b>15.91</b>	21.61	19.49	6.34	3.44
<b>Index item</b>	<b>At the end of 2005</b>	At the end of 2004	At the end of 2003	At the end of 2002	At the end of 2001
Total assets	<b>38,933,765</b>	31,195,785	26,418,528	17,275,219	16,853,941
Total liabilities	<b>20,281,072</b>	14,094,743	11,595,088	4,920,461	4,709,806
Minority interests	<b>138,189</b>	76,315	35,420	–	–
Shareholders' equity	<b>18,514,504</b>	17,024,727	14,788,020	12,354,758	12,144,135
Net assets per share (RMB)	<b>2.87</b>	2.64	2.29	1.91	1.88
Adjusted net assets per share (RMB)	<b>2.87</b>	2.64	2.29	1.90	1.87

## Extracts of Accounting and Business Data (continued)

### 4) MAJOR BUSINESS DATA FOR THE LAST 3 YEARS (TEN THOUSAND TONS)

Product categories	Sales of 2005		Sales of 2004		Sales of 2003	
	Volume	Percentage (%)	Volume	Percentage (%)	Volume	Percentage (%)
Plate belt	304	35	248	34	125	23
Section steel	226	26	187	26	174	32
Wire rods	321	37	279	38	236	43
Train wheels and wheel rims	18	2	15	2	13	2
<b>Total</b>	<b>869</b>	<b>100</b>	<b>729</b>	<b>100</b>	<b>548</b>	<b>100</b>

### 5) MOVEMENT IN SHAREHOLDERS' EQUITY DURING THE REPORTING PERIOD (UNIT: RMB'000)

#### (1) Prepared under PRC Accounting Standards

Item	Share capital	Capital reserve	Surplus reserves	Including: statutory public welfare fund	Retained profits	Including: cash dividend proposed by the Board of Directors	Shareholders' funds
At the beginning of the year	6,455,300	5,427,046	1,794,626	892,852	3,758,606	1,420,166	17,435,578
Increase during the year	-	23,300	585,522	285,533	2,847,619	1,032,848	3,456,441
Decrease during the year	-	-	-	-	(2,010,303)	(1,420,166)	(2,010,303)
At the end of the year	<u>6,455,300</u>	<u>5,450,346</u>	<u>2,380,148</u>	<u>1,178,385</u>	<u>4,595,922</u>	<u>1,032,848</u>	<u>18,881,716</u>

#### (2) Prepared under Hong Kong Accounting Standards

Item	Share capital	Capital reserve	Surplus reserves	Including: statutory public welfare fund	Retained profits	Proposed ordinary share dividend	Shareholders' equity
At the beginning of the year	6,455,300	4,864,976	1,794,626	892,852	2,489,659	1,420,166	17,024,727
Increase during the year	-	-	585,522	285,533	2,909,943	1,032,848	4,528,313
Decrease during the year	-	-	-	-	(1,618,370)	(1,420,166)	(3,038,536)
At the end of the year	<u>6,455,300</u>	<u>4,864,976</u>	<u>2,380,148</u>	<u>1,178,385</u>	<u>3,781,232</u>	<u>1,032,848</u>	<u>18,514,504</u>

Reasons for movement: (1) The increase in capital reserve represented the transfer of specific payables of the completion of the State's subsidizing project. (2) Increases in surplus reserve (including statutory public welfare fund) have been appropriated in accordance with relevant regulations based on the Company's profit for the year. (3) The increase in retained profits was due to increase in the Company's profit during the year. The decrease in retained profits was due to proposed dividend distribution for ordinary shares for the year 2005. (4) The increase in the proposed dividend distribution for ordinary shares was due to the appropriation of dividend distribution for ordinary shares for the year 2005. The decrease in the proposed dividend distribution for ordinary shares was due to the distribution of dividend for ordinary shares for 2004 during the reporting period.