

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

Item	Unit: Rmb'000		
	2005	2004	2003
Turnover	26,488,115	23,227,617	14,520,736
Profit before taxation	3,036,674	2,664,460	1,752,435
Taxation	919,277	866,873	319,433
Profit for the year and attributable to equity shareholders of the Company	2,117,397	1,797,587	1,433,002
Total assets	14,223,931	14,899,934	14,845,674
Total liabilities	2,973,229	4,877,658	6,030,289
Total equity attributable to equity shareholders of the Company	11,250,702	10,022,276	8,815,385
Net assets per share	Rmb3.80	Rmb3.38	Rmb2.98
Earnings per share (basic)	Rmb0.715	Rmb0.607	Rmb0.484
Earnings per share (diluted)	—	Rmb0.606	Rmb0.484
Return on net assets	18.82%	17.94%	16.25%

PREPARED IN ACCORDANCE WITH PRC ACCOUNTING RULES AND REGULATIONS

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

For the year ended 31 December 2005

Item	Unit: Rmb'000
	Amount
Total profit	2,982,454
Net profit	2,079,485
Net profit before deduction of the profit and loss of non-operating items	2,079,655
Profit from principal operations	3,755,332
Profit from other operations	103,786
Operating profit	2,983,663
Investment loss	(955)
Non-operating net expenses	(254)
Net cash flow arising from operating activities	2,553,120
Net decrease in cash and cash equivalents	(2,185,794)

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

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

Note: Amounts of profit and loss of non-operating items deducted by the Group during the reporting period:

Non-operating items	Effect on profit (Rmb'000)
Non-operating income	(1,637)
Non-operating expenses	1,891
Relevant income tax	(84)
Total	170

2. The Group recorded net profit of Rmb2,079,485,000 under PRC Accounting Rules and Regulations and net profit of Rmb2,117,397,000 under IFRSs for 2005. The difference was Rmb37,912,000 and the reasons are as follows:

- (1) Profit decreased by Rmb412,000 due to the written off of pre-operating expenses of the jointly controlled entity;
- (2) Profit increased by Rmb4,536,000 due to amortisation of revaluation of land use rights;
- (3) Profit increased by Rmb45,289,000 due to capitalisation of general loan interests;
- (4) Profit increased by Rmb4,502,000 due to cancellation of payables;
- (5) Profit increased by Rmb300,000 due to receipt of government grant;
- (6) Profit increased by Rmb5,000 due to amortisation of lease prepayments; and
- (7) Profit decreased by Rmb16,308,000 due to deferred taxation.



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

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

Unit: Rmb'000

Item	2005	2004	2003
Income from principal operations	26,488,115	23,227,617	14,520,736
Net profit	2,079,485	1,776,337	1,432,579
Net profit before deduction of non-operating items	2,079,655	1,777,329	1,474,662
Total assets	14,289,823	15,343,328	15,011,870
Shareholders' funds (exclude minority interests)	11,329,257	10,133,942	8,948,268
Earnings per share (weighted average)	Rmb0.702	Rmb0.600	Rmb0.484
Earnings per share (diluted)	Rmb0.702	Rmb0.600	Rmb0.484
Net assets per share	Rmb3.82	Rmb3.42	Rmb3.02
Adjusted net assets per share	Rmb3.82	Rmb3.42	Rmb3.01
Net cash flows per share from operating activities	Rmb0.862	Rmb0.538	Rmb0.675
Return on net assets (diluted)	18.35%	17.53%	16%
Return on net assets (weighted average)	19.52%	18.62%	17.05%
Return on net asset after deduction of non-operating items (weighted average)	19.52%	18.63%	17.55%

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

4. Return on net assets and earnings per share for the reporting period of 2005 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

Profit for the reporting period	Return of net assets (%)		Earning per share (Rmb / share)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	33.15%	35.24%	1.267	1.267
Operating profit	26.34%	28.00%	1.007	1.007
Net profit	18.35%	19.52%	0.702	0.702
Net profit after deduction of non-operating items	18.36%	19.52%	0.702	0.702

5. Changes in shareholders' funds during the reporting period

Unit: Rmb'000

Item	Share capital	Capital reserve	Surplus reserves	Including:	Undistributed profits	Total shareholders' funds
				Statutory public welfare fund		
As at 1 January 2005	2,962,942	3,084,915	1,125,860	562,930	2,960,225	10,133,942
Increase during 2005	44	4,881	418,254	209,127	2,079,485	2,502,664
Decrease in 2005	—	—	—	—	1,307,349	1,307,349
As at 31 December 2005	2,962,986	3,089,796	1,544,114	772,057	3,732,361	11,329,257

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

5. Changes in shareholders' funds during the reporting period *(continued)*

Reasons for the changes

1. Share capital was increased by Rmb44,000 as a result of the conversion of the Company's convertible debentures.
2. Capital reserve was increased by Rmb4,881,000, of which Rmb79,000 was attributable to the conversion of the Company's convertible debentures, Rmb4,502,000 was attributable to the cancellation of payables, and the remaining Rmb300,000 was a reward for renowned brands received from Anshan municipal government.
3. The increase in each of surplus reserve and statutory public welfare fund was attributable to the contribution of 10% of the profit after tax to each of them.
4. Undistributed profit was increased. Net profit for the year was Rmb2,079,485,000, out of which, an amount of Rmb418,254,000 was contributed to each of the statutory surplus reserve and public welfare fund and a total amount of Rmb889,095,000 was distributed as dividend.

