

# Financial and Operating Highlights

Financial statements for the year 2006 prepared by the Company in accordance with the PRC Accounting Standards for Business Enterprises (the “PRC Accounting Standards”) and Hong Kong Financial Reporting Standards (“HKFRS”) were audited by Deloitte Touche Tohmatsu Certified Public Accountants Limited and Deloitte Touche Tohmatsu, whose audited report expressed an unqualified opinion on the financial statements.

**According to the PRC Accounting Standards, the financial highlights of the Group as at 31 December 2006 are as follows:**

Item	RMB'000
Operating revenue (including revenue from principal operations and income from other operations)	4,098,477
Gross profit	1,716,027
Net Profit	1,127,781
Net profit after non-recurring profit / loss	1,132,176
Profit from principal operations	2,260,677
Profit from other operations	3,000
Profit from operations	1,606,297
Investment income	117,801
Subsidy income	1,810
Non-operating income/expenses, net	-9,882
Net cash flow from operating activities	2,441,451
Net increase/decrease in cash and cash equivalents	-277,183

**According to the HKFRS, the financial highlights of the Group as at 31 December 2006 are as follows:**

Item	RMB'000
Revenue, net	3,925,569
Profit from operations	2,088,006
Profit before taxation	1,762,326
Profit attributable to equity holders of the Company	1,174,111
Net cash flow from operating activities	1,936,501
Net increase/decrease in cash and cash equivalents	-277,183



### Differences between the PRC Accounting Standards and HKFRS:

The differences between the statutory financial statements of the Group prepared in accordance with the PRC Accounting Standards and the financial statements of the Group prepared in accordance with HKFRS are summarized as follows:

Unit: RMB'000

	Net Profit		Net Asset	
	2006	2005	As at 31 December 2006	As at 31 December 2005
As reported in PRC statutory financial statements	1,127,781	696,456	15,029,868	14,632,560
HKFRS adjustments:				
– Valuation and depreciation of fixed assets	34,302	33,684	(1,413,276)	(1,447,578)
– Deferred taxation	31	(74,601)	8,014	7,983
– Non-amortization of goodwill of associates	12,516	12,516	25,032	12,516
– Release of negative goodwill of associates	(519)	(519)	1,817	2,336
– Others	–	492	–	–
As reported in these financial statements prepared in accordance with HKFRS	1,174,111	668,028	13,651,455	13,207,817

### Non-recurring profit/loss comprises the following:

Unit: RMB'000

Item	2006
Loss on disposal of fixed assets	-15,272
Profit from disposal of long-term equity investment	-714
Government grants	1,810
Gain from short-term investments	387
Gain from project investments	1,840
Other non-operating incomes and expenses	5,390
Effects of income tax	2,164
Total	-4,395

# Financial and Operating Highlights



## Principal accounting data of the Group under the PRC Accounting Standards for the past five years:

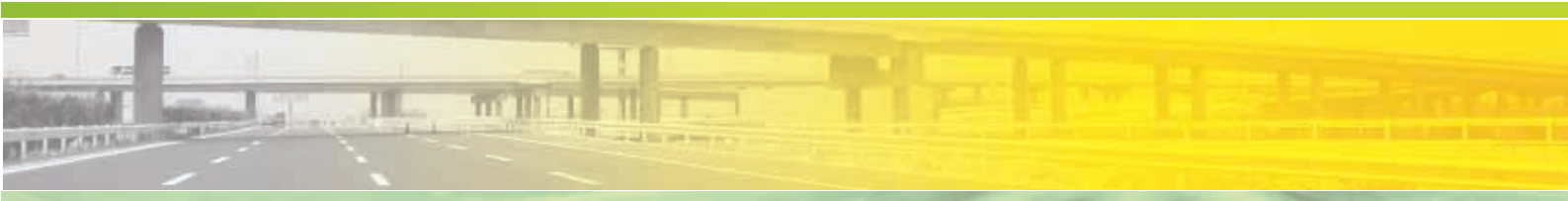
Unit: RMB'000

Principal accounting data	2006	2005	2004	2003	2002
Revenue from principal operations	4,046,256	2,194,736	3,060,081	2,731,760	2,314,373
Gross profit	1,716,027	944,436	1,390,204	1,447,833	1,235,272
Net profit	1,127,781	696,456	826,725	950,531	816,833
Net profit after non-recurring profit/loss	1,132,176	706,513	1,104,208	944,738	819,725
Net cash flow from operating activities	2,441,451	1,285,000	1,675,403	1,453,795	1,301,452
	<b>End of 2006</b>	<b>End of 2005</b>	<b>End of 2004</b>	<b>End of 2003</b>	<b>End of 2002</b>
Total assets	26,425,207	27,223,147	20,638,701	16,732,357	15,081,793
Shareholders' equity (excluding minority interests)	15,029,868	14,632,560	14,666,085	14,562,325	14,268,109

## Principal financial indicators of the Group under the PRC Accounting Standards for the past five years:

Unit: RMB

Principal financial indicator	2006	2005	2004	2003	2002
Earnings per share	0.224	0.138	0.164	0.189	0.162
Return on net assets (%)	7.50	4.76	5.64	6.53	5.72
Return on net assets after non-recurring profit/loss (%)	7.53	4.83	7.53	6.49	5.75
Weighted average return on net assets after non-recurring profit/loss (%)	7.68	4.87	7.56	6.55	5.91
Net cash flow from operating activities per share	0.48	0.26	0.33	0.29	0.26
	<b>End of 2006</b>	<b>End of 2005</b>	<b>End of 2004</b>	<b>End of 2003</b>	<b>End of 2002</b>
Net assets per share	2.98	2.90	2.91	2.89	2.83
Adjusted net assets per share	2.98	2.90	2.91	2.89	2.83



**Change of shareholders' equity in accordance with the PRC Accounting Standards during the reporting period:**

**Unit: RMB**

Item	Share capital	Capital reserve	Surplus reserve	Including: Statutory public welfare fund	Retained earnings	Total shareholders' equity
Amount as at beginning of the period	5,037,747,500	7,488,686,684	1,058,431,299	352,810,432	1,047,694,426	14,632,559,909
Increase during the period	—	—	135,704,490	—	992,076,871	1,127,781,361
Decrease during the period	—	—	—	352,810,432	730,473,388	730,473,388
Amount as at end of the period	5,037,747,500	7,488,686,684	1,194,135,789	—	1,309,297,909	15,029,867,882
Reasons for change	—	—	Withdraw 10% from profit after tax	Transfer to surplus reserve according to requirement	Operating results and distribution of dividends	

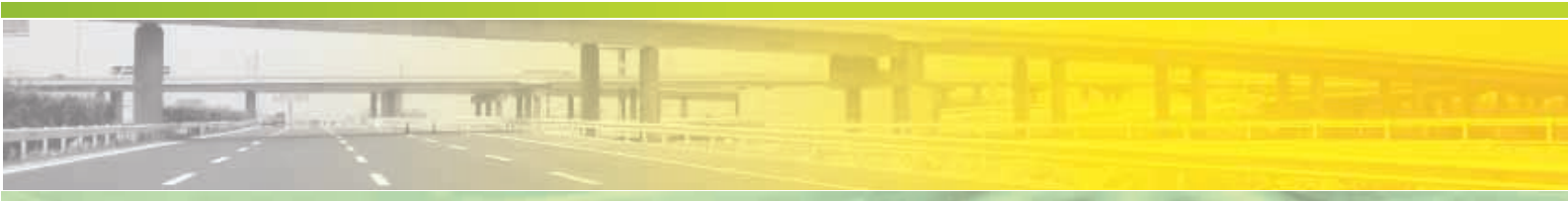
# Financial and Operating Highlights

## Principal accounting data of the Group under the HKFRS for the past five years:

Unit: RMB'000					
Item	2006	2005	2004	2003	2002
Revenue, net	3,925,569	2,104,904	2,951,996	2,675,814	2,272,515
Gross profit	1,762,326	990,608	1,461,238	1,533,974	1,308,949
Profit attributable to equity holders of the Company	1,174,111	668,028	979,391	990,281	834,035
Net profit after non-recurring profit/loss	1,178,505	678,085	1,256,874	984,488	831,143
Net cash flow from operating activities	1,936,501	868,637	1,502,916	1,449,273	1,308,827
	<b>End of 2006</b>	<b>End of 2005</b>	<b>End of 2004</b>	<b>End of 2003</b>	<b>End of 2002</b>
Total assets	25,046,796	25,798,403	19,240,021	15,218,027	13,520,963
Shareholders' equity (excluding minority interests)	13,651,455	13,207,817	13,267,407	13,018,489	12,683,115

## Principal financial indicators of the Group under the HKFRS for the past five years:

Unit: RMB					
Principal financial indicator	2006	2005	2004	2003	2002
Earnings per share	0.233	0.133	0.194	0.197	0.166
Return on net assets (%)	8.60	5.06	7.38	7.61	6.58
Return on net assets after non-recurring profit/loss (%)	8.63	5.13	9.47	7.56	6.55
Weighted average return on net assets after non-recurring profit/loss (%)	8.84	5.16	9.63	7.69	6.58
Net cash flow from operating activities per share	0.38	0.17	0.30	0.29	0.26
	<b>End of 2006</b>	<b>End of 2005</b>	<b>End of 2004</b>	<b>End of 2003</b>	<b>End of 2002</b>
Net assets per share	2.71	2.62	2.63	2.58	2.52
Adjusted net assets per share	2.71	2.62	2.63	2.58	2.52



## Five-Year Financial Highlights of the Group (in accordance with HKFRS)

