

FINANCIAL HIGHLIGHTS

(1) MAJOR FINANCIAL DATA OF THE GROUP FOR 2006 PREPARED IN ACCORDANCE WITH PRC GAAP

Unit: RMB in millions

| Item | Amount |
|--|----------|
| Total profit | 1,069.6 |
| Net profit | 807.4 |
| Net profit after extraordinary gains or losses | 753.9 |
| Profit from principal operations | 7,748.5 |
| Profit from other operations | 69.2 |
| Operating profit | 427.7 |
| Investment income | 31.8 |
| Subsidy income | 612.2 |
| Net non-operating expenses | -2.1 |
| Net cash outflow arising from operating activities | -1,555.0 |
| Net decrease in cash | -1,262.1 |

The extraordinary gain or loss items and amounts are listed below:

Unit: RMB in millions

| Item | Amount |
|------------------------------|--------|
| Subsidy income | 65.1 |
| Non-operating income | 24.0 |
| Less: non-operating expenses | 26.2 |
| Less: effect of income tax | 9.4 |
| Total | 53.5 |

FINANCIAL HIGHLIGHTS

(2) MAJOR FINANCIAL DATA AND INDICATORS OF THE GROUP FOR THE PAST THREE YEARS PREPARED IN ACCORDANCE WITH PRC GAAP

| Item | 2006 | 2005 | 2004 |
|---|-----------------|----------|----------|
| Revenue from principal operations (RMB million) | 23,031.7 | 21,575.9 | 22,698.2 |
| Net profit (RMB million) | 807.4 | 1,194.3 | 1,008.9 |
| Total assets (RMB million) | 25,916.9 | 21,779.1 | 20,830.0 |
| Shareholder's equity (RMB million) (excluding minority interests) | 10,678.9 | 10,125.1 | 9,174.4 |
| Earnings per share (RMB) * | 0.84 | 1.24 | 1.05 |
| Net assets per share (RMB) | 11.13 | 10.55 | 9.56 |
| Return on net assets (%) | 7.56 | 11.80 | 11.00 |
| Adjusted net assets per share (RMB) | 11.12 | 10.55 | 9.53 |
| Net cashflow per share arising from operating activities (RMB) | -1.62 | 0.18 | 1.71 |

* During the period from 1 January to the date of this report, there has been no change in the total share capital of the Company, which is 959,521,650 shares.

(3) RETURN ON NET ASSETS AND EARNINGS PER SHARE OF THE GROUP CALCULATED IN ACCORDANCE WITH PRC GAAP

| Profit for the reporting period | Return on net assets* | | Earnings per share (RMB)* | |
|--|-----------------------|------------------|---------------------------|------------------|
| | Fully diluted | Weighted average | Fully diluted | Weighted average |
| Profit from principal operations | 72.56% | 74.44% | 8.08 | 8.08 |
| Operating profit | 4.01% | 4.11% | 0.45 | 0.45 |
| Net profit | 7.56% | 7.76% | 0.84 | 0.84 |
| Net profit after extraordinary gains or losses | 7.06% | 7.24% | 0.79 | 0.79 |

* Calculated and completed in accordance with the requirements of Rule No. 9 of the Rules for Information Disclosure and Report Compilation by Companies with Public Listed Securities of the China Securities Regulatory Commission.

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(4) CHANGES IN SHAREHOLDERS' EQUITY OF THE GROUP PREPARED IN ACCORDANCE WITH PRC GAAP

Unit: RMB in millions

| Items of shareholders' equity | At the beginning of the period | Increase for the period | Decrease for the period | At the end of the period |
|--|--------------------------------|-------------------------|-------------------------|--------------------------|
| Share capital | 959.5 | 0 | 0 | 959.5 |
| Capital reserve | 5,506.4 | 3.3 | 0 | 5,509.7 |
| Surplus reserve | 1,264.1 | 67.0 | 0 | 1,331.1 |
| Retained profit | 2,171.2 | 807.4 | 211.0 | 2,767.6 |
| Difference in foreign currency translation | -16.0 | 0 | 16.9 | -32.9 |
| Proposed final dividend | 239.9 | 143.9 | 239.9 | 143.9 |
| Total shareholders' equity | 10,125.1 | 1,021.6 | 467.8 | 10,678.9 |

Reasons for the changes:

- For details of changes in share capital, capital reserve and surplus reserve during 2006, please refer to items 28, 29 and 30 of Note V to the financial statements prepared in accordance with PRC GAAP.
- The change in retained profit is due to the net profit in 2006.
- The change in conversion difference in foreign currency statement is due to the significant change in foreign currency exchange rate.
- The decrease in proposed final dividend is due to the implementation of the profit distribution plan for 2005 in the proportion of RMB2.50 (tax inclusive) for every 10 shares.

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(5) MAJOR FINANCIAL DATA OF THE GROUP PREPARED IN ACCORDANCE WITH HKFRSs

Unit: RMB in millions

| | For the year ended 31 December | | | | |
|---|--------------------------------|------------|------------|------------|-----------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| Results | | | | | |
| Turnover | 23,031.7 | 21,575.9 | 21,220.1 | 17,036.1 | 10,795.9 |
| Cost of sales | (15,250.5) | (14,101.7) | (13,813.5) | (11,226.1) | (6,924.2) |
| Gross profit | 7,781.2 | 7,474.2 | 7,406.6 | 5,810.0 | 3,871.7 |
| Other revenue and gains | 792.1 | 681.6 | 534.1 | 252.0 | 312.1 |
| Research and development costs | (2,832.7) | (1,959.5) | (2,265.2) | (1,535.7) | (1,127.9) |
| Selling and distribution expenses | (3,274.6) | (3,186.4) | (2,799.6) | (1,981.5) | (1,277.0) |
| Administrative expenses | (1,097.6) | (1,095.4) | (981.4) | (869.0) | (542.4) |
| Other operating expenses | (191.5) | (128.6) | (162.4) | (213.9) | (212.6) |
| Profit from operating activities | 1,176.9 | 1,785.9 | 1,732.1 | 1,461.9 | 1,023.9 |
| Finance costs | (153.7) | (175.9) | (140.4) | (171.2) | (122.3) |
| Share of profits and losses of jointly-controlled entities and associates | 7.5 | (4.2) | 3.1 | (3.6) | 4.2 |
| Profit before tax | 1,030.7 | 1,605.8 | 1,594.8 | 1,287.1 | 905.8 |
| Tax | (127.1) | (179.8) | (115.0) | (198.5) | (159.7) |
| Profit before minority interests | 903.6 | 1,426.0 | 1,479.8 | 1,088.6 | 746.1 |
| Minority interests | (136.6) | (138.3) | (207.3) | (60.3) | (42.5) |
| Net profit from ordinary activities attributable to shareholders | 767.0 | 1,287.7 | 1,272.5 | 1,028.3 | 703.6 |

Unit: RMB in millions

| | As at 31 December | | | | |
|---|-------------------|----------|----------|----------|----------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| Assets and liabilities | | | | | |
| Total assets | 26,787.2 | 22,464.0 | 21,007.8 | 16,476.4 | 12,022.8 |
| Total liabilities | 15,461.4 | 11,742.8 | 11,312.2 | 11,649.9 | 8,124.8 |
| Minority interests | 561.9 | 470.7 | 478.4 | 226.6 | 215.4 |
| Shareholders' equity (excluding minority interests) | 10,763.9 | 10,250.5 | 9,217.2 | 4,599.9 | 3,682.6 |

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(6) MAJOR FINANCIAL INDICATORS OF THE GROUP PREPARED IN ACCORDANCE WITH HKFRSs

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|--------------------------------------|--------------|--------|--------|--------|--------|
| Basic earnings per share (RMB/share) | 0.80 | 1.34 | 1.57 | 1.28 | 0.88 |
| Net assets per share (RMB/share) | 11.80 | 11.17 | 11.96 | 6.03 | 4.87 |
| Return on net assets | 6.77% | 12.01% | 13.12% | 21.31% | 18.05% |

Note: The above figures are calculated in accordance with HKFRSs.

(7) RECONCILIATION OF DIFFERENCES OF NET PROFIT 2006 AND SHAREHOLDERS' EQUITY OF THE GROUP AS AT DECEMBER 2006 PREPARED IN ACCORDANCE WITH PRC GAAP AND HKFRSs

Unit: RMB in millions

| | PRC GAAP | HKFRSs |
|-------------------------------|---|----------|
| Net profit for 2006 | 807.4 | 767.0 |
| Shareholders' equity for 2006 | 10,678.9 | 10,763.9 |
| Explanation of differences | For details please refer to Note 46 to financial statements prepared under HKFRSs | |