

Supplemental Information

For the year end December 31, 2006

(All amounts expressed in Renminbi unless otherwise stated)

RECONCILIATION OF CONSOLIDATED PROFIT ATTRIBUTABLE TO SHAREHOLDERS AND CONSOLIDATED NET ASSETS BETWEEN PRC GAAP AND IFRS

The statutory financial statements of the Group, which are prepared by the Company and its subsidiaries in conformity with PRC GAAP, differ in certain respects from IFRS (audited). Major differences between PRC GAAP and IFRS which affect the consolidated profit attributable to shareholders and the consolidated net assets of the Company and its subsidiaries are summarized as follows:

	Consolidated profit attributable to shareholders for the year ended December 31,		Consolidated net assets as of December 31,	
	2006 RMB'000	*2005 RMB'000 (Restated)	2006 RMB'000	*2005 RMB'000 (Restated)
As reported in statutory consolidated financial statements of the Group (audited by certified public accountants in the PRC)	710,868	611,472	20,941,891	10,599,379
Impact of IFRS adjustments:				
Adjustments made to the carrying amount of fixed assets arising from differences in depreciation commencement periods	(3,809)	(1,569)	(83,638)	(43,873)
Additional depreciation charges on rail-line track assets, which are reported as permanent assets under PRC GAAP	(16,330)	(16,236)	(51,869)	(35,539)
Net effect of capitalisation of replacement costs of rail-line track assets and derecognition of items being replaced	—	32,198	32,198	32,198
Difference in the recognition policy on housing benefits offered to the employees	(14,623)	(18,853)	117,235	131,858
Deferred tax assets arising from GAAP differences	(1,612)	3,910	2,298	3,910
Recording share issuance costs in reserves	—	—	—	(27,007)
Differences in recording business acquisition costs	20,543	—	31,343	—
Recognition of early retirement obligations under IFRS	(22,421)	—	(22,421)	—
Waiver of payables	25,875	—	—	—
Differences in capitalisation of interest expenses	13,043	—	13,043	—
Reversal of revaluation surplus on fixed assets	53,055	33,592	(834,927)	(887,982)
Others	6,924	2,446	23,855	23,132
As stated under IFRS	771,513	646,960	20,169,008	9,796,076

* The Group changed its accounting policy in respect of fixed assets from the revaluation model to the cost model in 2006. As mentioned in Note 5 to the audited financial statements of the Group, this has resulted in changes to certain account balances and the comparative figures of 2005 have been restated accordingly.

Certain comparative figures of 2005 were reclassified by aggregating certain reconciling items of similar nature for better presentation.