

# ACCOUNTING DATA AND OPERATING DATA HIGHLIGHTS

## 1. Total profit and its constituents prepared under the PRC accounting standards and regulations (Rmb'000).

Total profit	315,930
Net profit	314,837
Net profit after extraordinary items	316,122
Profit from principal operations	865,084
Profit from other operations	9,558
Operating profit	319,154
Net non-operating expenses	3,224
Net cash flow from operating activities	854,231
Net decrease in cash and cash equivalents	137,448

Note: Extraordinary profit and loss items and amount during the reporting period (Rmb'000)

Items	Amounts
Net loss from disposal of fixed assets	3,992
Other net non-operating income and expenses	-768
Reversal of provision for assets impairment for previous years	-2,367
Impact from income tax	428
Total	1,285

## 2. Set out below are summarized impacts on net profit arising from the material differences in the financial statements for 2006 prepared under the PRC accounting standards and regulations and under Hong Kong accounting standards:

Unit:Rmb'000

Net profit under PRC Accounting Standards	314,837
Add: Amortization of deferred income from income tax credit for purchase of domestic manufactured equipment	4,004
Less: Impact from recognition of financial liability under Hong Kong Accounting Standards	-8,075
Reversal of income tax expenses credit recognized under PRC Accounting Standards for purchase of domestic manufactured equipment	-52,394
Impact from other adjustments	-4,277
Net profit under Hong Kong Accounting Standards	254,095

## ACCOUNTING DATA AND OPERATING DATA HIGHLIGHTS (CONTINUED)

### 3. Major Accounting Data and Financial Indicators of the Company over the Past Five Years (Unit: RMB'000)

(1) Major accounting data and financial indicators prepared under the PRC accounting standards and regulations

Items	2006	2005	2004	2003	2002
Revenue from principal operations	9,612,897	8,856,126	8,551,923	5,609,309	4,182,430
Total profit	315,930	292,239	886,455	966,266	289,480
Income tax	1,093	32,663	28,433	-9,258	—
Minority interest	—	—	—	—	303
Net profit	314,837	259,576	858,022	975,524	289,783
Earnings per share (Rmb)					
Fully diluted	0.23	0.19	0.62	0.71	0.21
Weighted average	0.23	0.19	0.62	0.71	0.21
Net cash flow per share from operating activities (Rmb)	0.62	0.16	0.49	0.83	0.47
Return on net assets (%)					
Fully diluted	7.89	6.61	22.41	30.65	12.71
Weighted average	7.91	6.69	24.60	35.79	13.47
Return on net assets after extraordinary items (%)					
Fully diluted	7.92	6.28	22.36	30.63	13.80
Weighted average	7.94	6.37	24.57	35.71	14.98

Items	At the end of 2006	At the end of 2005	At the end of 2004	At the end of 2003	At the end of 2002
Total assets	8,841,433	8,106,524	7,184,300	5,880,831	4,594,184
Total liabilities	4,849,916	4,178,362	3,356,122	2,697,886	2,313,561
shareholders' interests	3,991,517	3,928,162	3,828,178	3,182,945	2,280,623
Net assets per share (Rmb)	2.89	2.84	2.77	2.30	1.65
Adjusted net assets per share (Rmb)	2.89	2.84	2.77	2.30	1.65

Note: based on the share capital as at the ending of the reporting period

## ACCOUNTING DATA AND OPERATING DATA HIGHLIGHTS (CONTINUED)

### 3. Major Accounting Data and Financial Indicators of the Company over the Past Five Years (Unit: RMB'000) (Continued)

#### (2) Major accounting data and financial indicators prepared under the Hong Kong accounting standards

Items	2006	2005	2004	2003	2002
Turnover	9,621,897	8,856,126	8,551,923	5,609,309	4,182,430
Profit before tax	307,582	275,644	872,156	967,781	285,758
Income tax	53,487	44,841	28,433	(9,258)	—
Minority interest	—	—	—	—	304
Net profit from ongoing operations attributable to shareholders	254,095	230,803	843,723	977,039	286,062
Earnings per share (Rmb)					
Fully diluted	0.18	0.17	0.61	0.71	0.21
Weighted average	0.18	0.17	0.61	0.71	0.21
Net cash flow per share from operating activities (RMB)	0.49	0.07	0.37	0.88	0.42
Return on net assets (%)					
Fully diluted	6.52	5.89	21.95	30.40	12.36
Weighted average	6.46	5.95	24.03	35.41	12.25

Items	At the end of 2006	At the end of 2005	At the end of 2004	At the end of 2003	At the end of 2002
Total assets	8,864,407	8,132,279	7,200,834	5,911,665	4,627,174
Total liabilities	4,964,630	4,216,355	3,356,121	2,697,886	2,313,559
shareholders' interests	3,899,777	3,915,924	3,844,713	3,213,779	2,313,615
Net assets per share (Rmb)	2.82	2.83	2.78	2.32	1.67
Adjusted net assets per share (Rmb)	2.82	2.83	2.78	2.32	1.67

Note: based on the share capital as at the ending of the reporting period

### 4. Major Operating data of the Company Over the Past Three Years (0,000 tonnes)

Products	Sales for 2006		Sales for 2005		Sales for 2004	
	Volume	Percentage (%)	Volume	Percentage (%)	Volume	Percentage (%)
Steel plates	119.53	41.45	103.02	42.99	94.36	41.14
Steel sections	85.71	29.72	59.29	24.75	60.17	26.24
Wire rods	44.05	15.28	32.94	13.75	33.71	14.70
Steel billets	31.89	11.06	38.65	16.13	41.10	17.92
Cool rolled sheets	7.18	2.49	5.71	2.38	—	—
Total	288.36	100	239.61	100	229.34	100

# ACCOUNTING DATA AND OPERATING DATA HIGHLIGHTS (CONTINUED)

## 5. Movements in shareholder's interests in 2006 (Rmb'000)

### (1) Prepared under the PRC accounting standards and regulations

Items	Share Capital	Capital reserve	Surplus reserve	Including: Statutory public welfare fund	Undistributed profits	Including: Proposed dividend in cash by the Board	shareholders' interests
Opening balance	1,063,944	527,573	430,441	143,480	1,906,204	159,592	3,928,162
Increase during the year	319,183	18,760	31,484	—	314,837	283,963	684,264
Decrease during the year	—	—	—	143,480	620,909	270,242	620,909
Closing balance	1,383,127	546,333	461,925	—	1,600,132	173,313	3,991,517

### (2) Prepared under Hong Kong accounting standards

Items	Share Capital	Share Premium	Capital surplus	Statutory common reserve	Statutory provident fund	Retained profits	shareholders' interests
Opening balance	1,063,944	276,208	216,071	286,961	143,480	1,929,260	3,915,924
Increase during the year	319,183	—	—	174,964	—	254,095	254,095
Decrease during the year	—	—	—	—	143,480	620,909	270,242
Closing balance	1,383,127	276,208	216,071	461,925	0	1,562,446	3,899,777

Reasons for the changes: (1) Increase in share capital is attributable to the bonus shares distributed to all shareholders; (2) Increase in capital reserves is resulted from the exemption from repayment of loans relating to the construction of environmental protection equipment and facilities in accordance with the circulars (Yu Cai Jian [2006] No.326 and No.549) issued by the Environmental Protection Administration of Chongqing in 2006. (3) Increase in common reserve is attributable to the transfer of provident fund balance as at 31 December 2005 to statutory common reserve in 2006 according to the profit of the year and related regulations, Company Law of PRC, the Company's Articles of Association and resolutions of the Board. (4) Decrease in statutory provident fund is attributable to the following reasons: According to the Company Law of PRC, the Company's Articles of Association and resolutions of the Board, the Company does not require to appropriate any statutory provident fund from 2006 and transferred the balance of statutory provident fund as at 31 December 2005 to statutory common reserve in 2006. (5) The increase in undistributed profit is attributable to the profit increase of the year while the decrease in undistributed profit is arising from the distribution of 2005 and 2006 interim dividends. (6) The increase in cash dividend proposed by the Board is the 2006 interim dividends distributed by the Company and provision for proposed 2006 dividends. The decrease in cash dividend proposed by the Board is the 2005 dividends and 2006 interim dividends distributed by the Company during the reporting period.