

## II. MAJOR FINANCIAL DATA AND INDICES (UNAUDITED)

1. For the six months ended 30 June 2004, the Group recorded a net profit of Rmb715,727,000 based on the International Financial Reporting Standards (“IFRS”) and a net profit of Rmb695,985,000 based on PRC Accounting Rules and Regulations. The net profit recorded under IFRS was Rmb19,742,000 more than that recorded under the PRC Accounting Rules and Regulations. The difference was due to:
  - (1) an increase of profit by Rmb26,310,000 as pre-operating expenses for the start up of the jointly controlled entity;
  - (2) an increase of profit by Rmb2,268,000 resulted from the amortisation of land use rights;
  - (3) a reduction of profit by Rmb112,000 resulted from the amortisation of lease prepayments;
  - (4) an increase of profit by Rmb997,000 resulted from the capitalisation of interests; and
  - (5) a reduction of profit by Rmb9,721,000 resulted from deferred taxation.

## 2. The Group's major financial data

### Prepared under IFRS

*Unit: Rmb'000*

Items	For the six months ended 30 June	
	2004	2003
Profit attributable to shareholders	715,727	620,352
Earnings per share		
— Basic	Rmb0.242	Rmb0.210
— Diluted	Rmb0.241	Rmb0.209
Return on net assets (%)	8.01	7.75

Items	As at	
	30 June 2004	31 December 2003
Total assets	13,726,456	14,845,674
Gearing ratio (%)	34.87	40.62
Shareholders' funds	8,940,151	8,815,385
Net assets per share	Rmb3.02	Rmb2.98

### Prepared in accordance with the PRC Accounting Rules and Regulations

*Unit: Rmb'000*

Items	For the six months ended 30 June	
	2004	2003
Net profit	695,985	620,390
Net profit after extraordinary items	696,027	660,886
Earnings per share	Rmb0.235	Rmb0.209
Return on net assets (%)	7.69	7.63

<b>Items</b>	<b>As at 30 June 2004</b>	<b>As at 31 December 2003</b>
Total assets	14,177,266	15,011,870
Gearing ratio (%)	36.14	40.39
Shareholders' funds	9,053,323	8,948,268
Net assets per share	Rmb3.06	Rmb3.02
Adjusted net assets per share	Rmb3.06	Rmb3.02

### 3. Differences between financial statements of the Group prepared under the PRC Accounting Rules and Regulations and IFRS

**Impact of adjustments under IFRS on net profit and net assets:**

*Unit: Rmb'000*

<b>Items</b>	<b>Net Profit For the six months ended 30 June 2004</b>	<b>Net Assets As at 30 June 2004</b>
Amount under the PRC Accounting Rules and Regulations	695,985	9,053,323
Adjusted items under IFRS		
1. Pre-operating expenses of the joint venture company	26,310	0
2. Amortisation of land use rights	2,268	-197,316
3. Amortisation of lease prepayments	-112	-751
4. General borrowings capitalised	997	21,855
5. Deferred taxation	-9,721	55,743
6. Discount on convertible debentures	0	80
7. Additional interest on convertible debentures capitalised	0	7,217
Amount under IFRS	715,727	8,940,151

**4. Return on net assets and earnings per share of the Group for the six months ended 30 June 2004 as calculated in accordance with the “Regulations for Preparation and Reporting of Information Disclosed by Listed Companies (No. 9)” issued by the China Securities Regulatory Commission (under PRC Accounting Rules and Regulations)**

Profit for the reporting period	Return on net assets (%)		Earnings per share (Rmb/share)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal operations	15.46	14.50	0.472	0.472
Operating profit	11.65	11.13	0.356	0.356
Net profit	7.69	7.49	0.235	0.235
Net profit after deduction of non-operating items	7.69	7.49	0.235	0.235