



Chapter II Summary of Accounting and Business Data

Section 1 Key operating data for the year

1. Key operating data prepared in accordance with the PRC accounting standards and system (the “PRC GAAP”)

	2005 RMB'000
Total profit	172,122
Net profit	136,242
Net profit after extraordinary items	119,140
Profit from main operations	689,338
Profit from other operations	34,915
Operating profit	158,279
Investment income	10,989
Subsidy income	4,024
Net non-operating income and expenses	(1,169)
Net cash flow from operating activities	286,723
Net increase/decrease in cash and cash equivalents	(201,127)

2. The following illustrates the difference in the accounts for the year ended 31st December 2005 prepared in accordance with the PRC GAAP with Hong Kong Financial Reporting Standards (the “HKFRS”):

	Profit attributable to equity holders For the year ended 31st December 2005		Net assets As at 31st December 2005	
	Group RMB'000	Company RMB'000	Group RMB'000	Company RMB'000
Prepared in accordance with PRC GAAP	136,242	136,242	2,657,978	2,658,071
Reversal of accounting for the results and reserves of subsidiaries in the accounts of the Company prepared under PRC GAAP	—	(62,259)	—	(365,780)
Amortisation of negative goodwill not required under HKFRS	—	—	(3,731)	(3,731)
Recognition of negative goodwill on acquisition under HKFRS	5,612	—	5,612	—
Reversal of valuation surplus on land use right recognised under PRC GAAP	—	—	(4,200)	(4,200)
Reversal of amortisation relating to valuation surplus on land use right under PRC GAAP	105	—	898	—
Capital reserve arising on consolidation under HKFRS	—	—	6,029	—
Amortisation of long term investment difference over ten years under PRC GAAP	282	(229)	(2,330)	(2,841)
Recognition of income for the capital reserve recognised in PRC GAAP for the waiver of accounts payables	534	534	—	—
Deferred taxation recognised under HKFRS	10,251	3,763	33,335	16,535
Others	2	(1)	5	1
Prepared in accordance with HKFRS	<u>153,028</u>	<u>78,050</u>	<u>2,693,596</u>	<u>2,298,055</u>



Section 1 Key operating data for the year (continued)

3. Breakdown of extraordinary items

	2005 RMB '000
Profit and loss on disposal of long-term equity investment and fixed assets	(693)
Government subsidies	(4,024)
Gain from short-term investment	(342)
Non-operating income after deducting provision for asset impairments	(853)
Non-operating expenses after deducting provision for asset impairments	3,166
Reversal of provisions for impairment accounted in previous financial year(s)	(14,768)
Impact on income tax of extraordinary gain/loss	412
Total	(17,102)

Section 2 Key accounting data and financial indicators prepared in accordance with PRC GAAP for the three years preceeding the end of reporting period

Items	2005 RMB '000	2004 RMB '000	2003 RMB '000
Revenue from main operations	4,241,912	3,611,043	4,305,743
Net profit	136,242	152,379	161,534
Total assets	5,442,057	5,133,568	5,511,657
Shareholders' equity (excluding minority interests)	2,657,978	2,551,527	2,442,624
Earnings per share (in RMB)			
– fully diluted	0.23	0.25	0.27
– weighted average	0.23	0.25	0.27
– after extraordinary items	0.20	0.23	0.27
Net assets per share (in RMB)	4.40	4.23	4.05
Adjusted net assets per share (in RMB)	4.37	4.02	3.84
Net cash flow from operating activities per share	0.47	0.03	0.43
Return on net assets (%)			
– fully diluted	5.13	5.97	6.61
– weighted average	5.23	6.10	6.81

Section 3 Schedule to the income statement prepared in accordance with PRC GAAP

Profit for the reporting period	Net return on assets (%)		Earnings per share (RMB/share)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from main operations	25.93	26.47	1.14	1.14
Operating profit	5.95	6.08	0.26	0.26
Net profit	5.13	5.23	0.23	0.23
Net profit after extraordinary gains/(loss)	4.48	4.57	0.20	0.20

Section 4 Changes in shareholders' equity prepared in accordance with PRC GAAP

Items	Share capital RMB '000	Capital reserve RMB '000	Statutory surplus reserve RMB '000	Discretionary surplus reserve RMB '000	Statutory public welfare fund RMB '000	Proposed distribution of cash dividends RMB '000	Undistributed profit RMB '000	Exchange differences RMB '000	Total shareholders' equity RMB '000
At beginning of the year	603,800	1,261,716	137,839	27,764	137,839	30,190	352,338	41	2,551,527
Increases during the year	–	534	21,236	100,000	21,236	30,190	136,242	–	309,438
Decreases during the year	–	–	–	–	–	(30,190)	(172,662)	(135)	(202,987)
At end of the year	603,800	1,262,250	159,075	127,764	159,075	30,190	315,918	(94)	2,657,978

**Section 4 Changes in shareholders' equity prepared in accordance with PRC GAAP (continued)**

Reasons for change: The increase in capital reserve was attributable to the provision of equity investments for a subsidiary after consolidation. The statutory surplus reserve and statutory public welfare fund are provided at 10% of the net profit of the Company for the year. The increase in discretionary surplus reserve was attributable to the provision of discretionary surplus reserve in the amount of RMB100,000,000 as approved at the 2004 annual general meeting. The increase/decrease in the proposed distribution of cash dividends is the distribution of final dividend of RMB0.05 per share (tax included) for the year of 2004 and the proposed final dividend of RMB0.05 per share (tax included) for the year of 2005 pending for the approval at the 2005 annual general meeting. The change in undistributed profit was attributable to the increase in net profit for the year and decrease in the provision for the statutory surplus reserve, statutory public welfare fund and the discretionary surplus reserve mentioned above.

Section 5 Audited financial information prepared in accordance with HKFRS**Profit and Loss Accounts**

For the year ended 31st December	2005 RMB'000	2004 RMB'000	2003 RMB'000	2002 RMB'000	2001 RMB'000
Turnover	4,241,912	3,611,043	4,305,743	2,828,438	2,215,239
Profit before taxation (note)	178,659	170,749	206,027	159,186	104,355
Income tax expenses (note)	(17,141)	(10,405)	(26,295)	(20,257)	(15,506)
Profit for the year	161,518	160,344	179,732	138,929	88,849
Attributable to:					
Equity holders of the Company	153,028	151,321	176,171	136,447	87,788
Minority Interests	8,490	9,023	3,561	2,482	1,061
	161,518	160,344	179,732	138,929	88,849
Earnings per share (RMB)	0.25	0.25	0.29	0.23	0.15
Net assets per share (RMB)	4.46	4.26	4.08	3.85	3.71
Return on net assets (%)	5.68	5.89	7.15	5.86	3.92

Assets and Liabilities

As at 31st December	2005 RMB'000	2004 RMB'000	2003 RMB'000	2002 RMB'000	2001 RMB'000
Total Assets	6,126,778	5,136,027	5,456,709	4,729,386	4,022,261
Total Liabilities	(3,433,182)	(2,565,134)	(2,993,659)	(2,402,361)	(1,781,657)
	2,693,596	2,570,893	2,463,050	2,327,025	2,240,604

Note: In 2005, the Group adopted new and revised HKFRS and Hong Kong Accounting Standards, and restated the profit before taxation and income tax expenses as a result of presentation the share of taxation of associated companies for the years 2001, 2002, 2003 and 2004 according to relevant requirements.