China International Marine Containers (Group) Ltd.
中国国际海运集装箱(集团)股份有限公司

31 December 2004

Report of the International Auditors to the Shareholders of China International Marine Containers (Group) Ltd.

(Established in the People's Republic of China with limited liability)

We have audited the consolidated balance sheet of China International Marine Containers (Group) Ltd. (the "Company") and its subsidiaries (the "Group") as of 31 December 2004 and the related consolidated statements of income, recognised income and expense and cash flows for the year then ended, set out on pages 2 to 55. These consolidated financial statements are the responsibility of the directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2004, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Certified Public Accountants

Hong Kong, China

Consolidated income statement
for the year ended 31 December 2004

	Note	*2004* RMB'000	*2003* RMB'000
Revenue	3	26,557,657	13,705,212
Cost of sales		(22,161,384)	(11,921,559)
Gross profit		4,396,273	1,783,653
Other operating income	5	272,529	141,126
Distribution expenses		(427,604)	(342,007)
Administrative expenses		(1,072,874)	(496,964)
Other operating expenses	6	(309,861)	(180,432)
Net operating profit before net financing costs		2,858,463	905,376
Financial income	8	33,851	36,745
Financial expenses	8	(70,639)	(62,038)
Net financing costs	8	(36,788)	(25,293)
Share of the profit of associates		25,534	8,747
Profit before tax		2,847,209	888,830
Income tax expense	9	(277,105)	(111,361)
Profit for the year		2,570,104	777,469
Attributable to:			
Equity holders of the parent		2,464,992	694,051
Minority interests		105,112	83,418
Profit for the year		2,570,104	777,469
Basic earnings per share (RMB Yuan)	11	2.44	0.77

The notes on pages 9 to 55 form part of these consolidated financial statements.

Consolidated statement of recognised income and expense for the year ended 31 December 2004

	Note	*2004* RMB'000	*2003* RMB'000
Revaluation reserve realised on dissolution of subsidiaries	26	(4,571)	-
Exchange reserve realised on dissolution of subsidiaries	26	4,717	-
Net income recognised directly in equity		146	-
Profit for the year		2,570,104	777,469
Total recognised income and expense for the year		2,570,250	777,469
Attribute to:			
Equity holders of the parent		2,465,138	694,051
Minority interests		105,112	83,418
		2,570,250	777,469

The notes on pages 9 to 55 form part of these consolidated financial statements.

Consolidated balance sheet
for the year ended 31 December 2004

	Note	*2004* RMB'000	*2003* RMB'000
Assets			
Property, plant and equipment	12	3,103,926	2,248,866
Lease prepayments - non-current portion	13	486,007	251,434
Construction in progress	14	446,778	172,435
Timber concession rights	15	81,237	175,129
Intangible assets	16	90,867	9,243
Interests in associates	17	94,248	57,555
Investments in equity securities	18	271,907	274,260
Long-term receivables	19	92,503	45,005
Prepayment for investments	20	4,471	193,008
Deferred tax assets	9(d)	52,373	20,205
Total non-current assets		4,724,317	3,447,140
Lease prepayments - current portion	13	13,460	9,572
Investments in equity securities	18	140,081	168,775
Properties under development	21	92,934	62,162
Completed properties for sale		55,693	61,074
Inventories	22	4,438,417	1,350,628
Trade and other receivables	23	6,038,248	4,452,401
Cash and cash equivalents	24	1,483,165	706,604
Total current assets		12,261,998	6,811,216
Total assets		16,986,315	10,258,356

The notes on pages 9 to 55 form part of these consolidated financial statements.

Consolidated balance sheet as at 31 December 2004 (continued)

	Note	*2004* RMB'000	*2003* RMB'000
Equity			
Share capital	25	1,008,483	630,302
Reserves	26	6,512,793	4,665,351
Total equity attributable to equity holders of the parent		7,521,276	5,295,653
Minority interests		854,499	659,804
Total equity		8,375,775	5,955,457
Liabilities			
Interest-bearing bank loans	27	822,728	422,084
Total non-current liability		822,728	422,084
Interest-bearing bank loans	27	1,692,529	512,326
Non interest-bearing bank loan	28	-	29,670
Trade and other payables	29	5,343,023	2,906,130
Provisions	30	552,150	383,846
Taxation	9	200,110	48,843
Total current liabilities		7,787,812	3,880,815
Total liabilities		8,610,540	4,302,899
Total equity and liabilities		16,986,315	10,258,356

Approved and authorised for issue by the board of directors on

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The notes on pages 9 to 55 form part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 December 2004

	2004 RMB'000	*2003* RMB'000
Operating activities		
Profit for the year	2,570,104	777,469
Adjustments for:		
Depreciation	226,714	168,136
Impairment losses of property, plant and equipment	76,505	39,248
Net amortisation of goodwill / negative goodwill	9,155	18,956
Gain on recognition of negative goodwill	(4,776)	-
Amortisation of other intangible assets	1,733	4,455
Amortisation of negative goodwill in an associate	(255)	(255)
Loss on sale of property, plant and equipment	9,274	21,282
Interest income	(14,457)	(19,007)
Interest expenses	56,820	45,406
Gain on disposal of listed equity securities	(18,527)	(7,990)
Impairment losses of unlisted equity securities	3,694	21,805
Amortisation of timber concession rights	3,205	7,967
Impairment losses of prepayment for investments	6,044	-
Impairment losses of timber concession rights	90,687	45,871
Dividend income	(13,377)	(8,705)
Income from associates	(25,534)	(8,747)
Income tax expenses	277,105	111,361
Operating profit before changes in working capital and provisions	3,254,114	1,217,252
Increase in lease prepayments	(161,075)	(61,255)
(Increase) / decrease in long-term receivables	(47,498)	41,616
Increase in trade and other receivables	(659,931)	(951,811)
Increase in inventories	(2,682,299)	(184,745)
Increase in trade and other payables	1,650,927	533,745
Increase in provisions	168,304	10,412
(Increase) / decrease in properties under development	(30,772)	88,270
Decrease in completed properties for sale	5,381	10,953
Cash generated from the operations	1,497,151	704,437
PRC income tax paid	(181,955)	(89,315)
Cash flows from operating activities	1,315,196	615,122

The notes on pages 9 to 55 form part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 December 2004 (continued)

	Note	*2004* RMB'000	*2003* RMB'000
Investing activities			
Interest received		17,307	15,590
Payment for property, plant and equipment		(175,073)	(70,674)
Payment for construction in progress		(903,252)	(767,783)
Payment for acquisition of equity securities		(291,694)	(300,948)
Payment for acquisition of associates		(13,816)	(13,500)
Prepayment for investments		(7,640)	(186,259)
Payment for acquisition of minority shareholdings		(1,998)	(102,425)
Loan to an associate		-	(13,500)
Repayment of loan to an associate		-	108,697
Payment for acquisition of subsidiaries, net of cash acquired	4	(109,745)	(76,857)
Payment for dissolution of subsidiaries, net of cash disposed of		(13,973)	-
Dividend received		13,486	16,878
Proceeds from sales of property, plant and equipment		2,599	14,972
Proceeds from dissolution of an associate		-	477,592
Proceeds from disposal of partial interest in subsidiary		1,739	5,982
Proceeds from sales of equity securities		353,606	156,899
Repayment of advance to minority interests		17,486	14,460
Advance to minority shareholders		(2,405)	(8,000)
Cash flows from investing activities		(1,113,373)	(728,876)

The notes on pages 9 to 55 form part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 December 2004 (continued)

	Note	*2004* RMB'000	*2003* RMB'000
Financing activities			
Interest paid		(54,640)	(55,338)
Proceeds from bank loans	33	12,232,448	12,210,004
Repayment of bank loans	33	(10,892,959)	(13,437,263)
Repayment of advances from Receivables Framework Agreement	23	(414,000)	-
Proceeds from Receivables Framework Agreement	23	-	55,943
Net proceeds from issuance of shares		-	1,751,105
Capital injection from minority shareholders		24,856	22,432
Dividends paid	10	(239,515)	-
Dividends paid to minority shareholders		(81,452)	(108,462)
Cash flows from financing activities		574,738	438,421
Net increase in cash and cash equivalents		776,561	324,667
Cash and cash equivalents at 1 January		706,604	381,937
Cash and cash equivalents at 31 December	24	1,483,165	706,604

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The notes on pages 9 to 55 form part of these consolidated financial statements.

Notes on the consolidated financial statements

1 Background

China International Marine Containers (Group) Ltd. (the "Company") is a joint stock company established in the People's Republic of China (the "PRC") with limited liability. The consolidated financial statements of the Company for the year ended 31 December 2004 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates. The financial statements were authorised for issue by the directors on 2 March 2005.

The Group is principally engaged in the design, manufacturing, marketing and maintenance of containers, trailers, airport support equipment and other mechanical and electrical equipment, property development, and timber logging businesses.

2 Significant accounting policies

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

The Company also prepares a set of financial statements which complies with the PRC Accounting Rules and Regulations. A reconciliation of the Group's consolidated results and net assets prepared under IFRS and the PRC Accounting Rules and Regulations is presented on Appendix I.

(b) Basis of preparation

The consolidated financial statements are presented in Renminbi Yuan, rounded to the nearest thousand. They are prepared on the historical cost basis except for the carrying amount of certain property, plant and equipment (refer to note 2(f)) and the listed investments in equity securities which are stated at fair value (refer to note 2(j)).

Except IFRS 3 (refer to note 2(i)) which the Group implemented, the accounting policies have been consistently applied to the results, other gains and losses, assets, liabilities and cash flows of entities included in the consolidated financial statements and are consistent with those used in the previous year.

No adjustment to the comparative figures for 2003 or change in presentation of 2004 financial statements is required by IFRS 3. The adoption of IFRS 3 results in an increase in both profit for the year ended 31 December 2004 and shareholders' equity at 31 December 2004 of the same amount of RMB6,320,000.

2 Significant accounting policies (continued)

(b) Basis of preparation (continued)

The preparation of financial statements in conformity with IFRSs requires management to make judgement, estimate and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

(iii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2 Significant accounting policies (continued)

(d) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than Renminbi Yuan are translated to Renminbi Yuan at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in currencies other than Renminbi Yuan at the balance sheet date are translated to Renminbi Yuan at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated income statement other than those eligible for capitalisation as construction in progress (refer to note 2(t)(ii)).

Non-monetary assets and liabilities that are measured in terms of historical cost in currencies other than Renminbi Yuan are translated to Renminbi Yuan using the foreign exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in currencies other than Renminbi Yuan that are stated at fair value are translated to Renminbi Yuan at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill arising on consolidation, are translated to Renminbi Yuan at foreign exchange rates ruling at the balance sheet date. The income and expenses of foreign operations are translated to Renminbi Yuan at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised as a separate component of equity.

(e) Lease prepayments

Lease prepayments represent land use rights paid to the PRC land bureau. Land use rights are stated at cost less accumulated amortisation and impairment losses (refer to note 2(u)). Amortisation is calculated on a straight-line basis over the respective periods of the rights.

2 Significant accounting policies (continued)

(f) Property, plant and equipment

(i) Property, plant and equipment are stated at cost or valuation (refer to note 12) less accumulated depreciation and impairment losses (refer to note 2(u)). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the balance sheet date.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the consolidated income statement as an expense as incurred.

(iii) Depreciation is charged to the consolidated income statement on a straight-line basis, after taking into account the estimated residual value, over the estimated useful lives of items of property, plant and equipment, and major components that are accounted for separately. The estimated useful lives are as follows:

Buildings	20 - 30 years
Machinery and equipment	10 - 12 years
Motor vehicles	3 - 8 years
Office furniture and other assets	5 years

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is substantially completed and ready for its intended use.

(iv) Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the consolidated income statement as an expense as incurred.

(v) Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the consolidated income statement on the date of retirement or disposal. The related portions of revaluation surpluses previously taken to reserve is transferred from the reserve to retained profits.

2 Significant accounting policies (continued)

(g) Construction in progress

Construction in progress represents buildings, various plant and equipment under construction and pending installation, and is stated at cost less impairment losses (refer to note 2(u)). Cost comprises cost of materials, direct labour, borrowing costs capitalised (refer to note 2(t)), and an appropriate proportion of production overheads incurred during the periods of construction and installation. Capitalisation of those costs ceases and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use. No depreciation is provided in respect of construction in progress.

(h) Timber concession rights

Timber concession rights represent costs incurred to acquire the rights to extract timber from forest concession areas for an approved duration less accumulated amortisation and impairment losses (refer to note 2(u)). Cost includes cost of purchase and expenses exclusively related to the acquisition of timber concession rights. Timber concession rights are amortised over the remaining licence period until the expiry of the timber licences.

(i) Intangible assets

(i) Goodwill

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired. Pursuant to IFRS 3 "Business Combination", in respect of business combination for which the agreement date is before 31 March 2004, goodwill is stated at cost less accumulated amortisation, which is based on a straight-line basis over five years, and impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interests in associates. In respect of business combination for which the agreement date is on or after 31 March 2004, goodwill is stated at cost less any accumulated impairment losses.

Goodwill is allocated to cash-generating units. As from 1 January 2005, goodwill is no longer amortised but is tested annually for impairment (refer to note 2(u)).

(ii) Negative goodwill

Negative goodwill arising on an acquisition represents the excess of the net fair value of the identifiable assets, liabilities and contingent liabilities acquired over the cost of acquisition.

2 Significant accounting policies (continued)

(i) Intangible assets (continued)

(ii) Negative goodwill (continued)

To the extent that negative goodwill in respect of business combination for which the agreement date is before 31 Mach 2004 relates to an expectation of further losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the consolidated income statement when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the consolidated income statement on a straight-line basis over five years. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the consolidated income statement. Pursuant to IFRS 3, negative goodwill at 1 January 2005 will be de-recognised with a corresponding adjustment to the retained earnings at that date.

Pursuant to IFRS 3, in respect of business combination, for which the agreement date is on or after 31 March 2004, negative goodwill is recognised directly in the consolidated income statement.

In respect of associates, the carrying amount of negative goodwill is included in the carrying amount of the interests in associates. The carrying amount of other negative goodwill is deducted from the carrying amount of intangible assets.

(iii) Technological know-how

Other intangible assets represent expenses incurred for the acquisition of technological know-how by the Group, are stated at cost less accumulated amortisation and impairment losses (refer to note 2(u)), and are amortised on a straight-line basis over their anticipated useful lives, which are between ten to fifteen years from the date of acquisition.

(j) Investments in equity securities

Listed investments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the consolidated income statement. Other listed investments held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in the consolidated income statement.

The fair value of listed investments held for trading and listed investments available-for sales is their quoted bid price at the balance.

2 Significant accounting policies (continued)

(j) Investments in equity securities (continued)

Available-for-sale investments are recognised / derecognised by the Group on the date it commits to purchase / sell the investments.

Unlisted investments are stated in the consolidated balance sheet at cost less impairment losses (refer to note 2(u)).

(k) Properties under development

Properties under development are stated at cost less provision for anticipated losses, where appropriate. Cost includes cost of land use rights acquired, development cost and borrowing costs capitalised (refer to note 2(t)(ii)).

(l) Completed properties for sale

Completed properties for sale are stated at the lower of cost and the estimated net realisable value. Cost includes cost of land use rights acquired, development cost and borrowing costs capitalised (refer to note 2(t)(ii)). Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

(m) Inventories

(i) Inventories, other than spare parts and consumables, are stated at the lower of cost and net realisable value.

Cost includes the cost of purchase computed using the weighted average method and, in the case of work in progress and finished goods, direct labour and an appropriate proportion of production overheads. Net realisable value is determined by reference to the sales proceeds of items sold in the ordinary course of business subsequent to the balance sheet date or to management estimates based on prevailing market conditions, less the estimated costs of completion and the estimated costs necessary to complete the sale.

(ii) Spare parts and consumables are stated at cost less any provision for obsolescence.

(n) Trade and other receivables

Trade and other receivables are stated at their cost less allowance for doubtful debts. An allowance for doubtful accounts is provided based upon the evaluation of the recoverability of these accounts by the directors at the balance sheet date.

2 Significant accounting policies (continued)

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and time deposits with an initial term of less than three months. Cash equivalents are stated at cost, which approximates fair value.

(p) Trade and other payables

Trade and other payables are stated at their cost.

(q) Provisions and contingent liabilities

A provision is recognised in the consolidated balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2 Significant accounting policies (continued)

(r) Taxation (continued)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The tax value of losses expected to be available for utilisation against future taxable income is set off against the deferred tax liability within the same legal tax unit and jurisdiction to the extent appropriate, and is not available for set-off against the taxable profit of another legal tax unit.

(s) Revenue recognition

(i) Goods sold

Revenue from the sales of containers, trailers, timber, airport ground facilities, internal combustion power-generating equipment and properties is recognised in the consolidated income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or when the amount of revenue and the costs incurred or to be incurred in respect of the transaction cannot be measured reliably.

(ii) Interest income

Interest income from deposits is accrued on a time-apportioned basis on the principal outstanding and at the rate applicable.

(iii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

2 Significant accounting policies (continued)

(t) Expenses

(i) Operating lease payments

Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

Payments made under operating leases are recognised in the consolidated income statement on a straight-line basis over the terms of the respective leases.

(ii) Net financing costs

Net financing costs comprise interest payable on borrowings, interest receivable on funds invested, dividend income, foreign exchange gains and losses and other costs incurred in connection with borrowings.

All interest and other costs incurred in connection with borrowings are expensed as incurred as part of net financing costs, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use.

(u) Impairment

The carrying amounts of the Group's assets, other than listed investments in equity securities (refer to note 2(j)), properties under development (refer to note 2(k)), completed properties for sale (refer to note 2(l)), inventories (refer to note 2(m)), trade and other receivables (refer to note 2(n)) and deferred tax assets (refer to note 2(r)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2 Significant accounting policies (continued)

(u) Impairment (continued)

(ii) Reversals of impairment

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the consolidated income statement in the year in which the reversals are recognised.

(v) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services ("business segment"), or in providing products or services within a particular economic environment ("geographical segment"), which is subject to risks and rewards that are different from those of other segments.

(w) Employee benefits

Obligations for contributions to the defined contribution plans are recognised as an expense in the consolidated income statement as incurred.

(x) Dividends

Dividends are recognised as a liability in the period in which they are declared or approved.

(y) Related parties

For the purposes of these consolidated financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly through one or more intermediaries, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

3 Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses and related payables.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

(a) Business segments

The Group comprises the following main business segments:

(i) Containers

The manufacture and sale of marine containers, dry-freight containers, refrigerated containers and specified types of containers.

(ii) Trailers

The manufacture and sale of trailers.

(iii) Mechanical and electrical equipment

The manufacture and sale of airport ground facilities and internal combustion power-generating equipment.

(iv) Property development

The construction and development of properties for sale.

(v) Timber logging

The logging and sale of timber.

(b) Geographical segments

The containers, trailers, mechanical and electrical equipment, property development, and timber logging segments are mainly managed in the PRC. The United States of America (the "USA"), Europe and Asia are major markets for sales of containers and trailers. The PRC is a major market for property development which is included in Asia segment. The manufacturing plants and sales offices are operated principally in the PRC.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

3 Segment reporting (continued)

Business segments

	Containers		*Trailers*		*Mechanical and electrical equipment*		*Property development*		*Timber logging*		*Consolidated*	
	2004	*2003*	*2004*	*2003*	*2004*	*2003*	*2004*	*2003*	*2004*	*2003*	*2004*	*2003*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	24,043,267	13,117,175	2,322,996	58,665	164,570	136,434	4,292	329,151	22,532	63,787	26,557,657	13,705,212
Segment result	3,381,771	1,076,599	66,501	(28,785)	34,596	19,728	(4,390)	37,023	(122,924)	(31,662)	3,355,554	1,072,903
Unallocated net expenses											(497,091)	(167,527)
Profit from operations											2,858,463	905,376
Net financing costs											(36,788)	(25,293)
Income from associates	23,356	8,374	2,315	-	-	373	(137)	-	-	-	25,534	8,747
Income tax expense											(277,105)	(111,361)
Minority interests											(105,112)	(83,418)
Net profit for the year											2,464,992	694,051
Segment assets	13,626,227	9,070,327	2,371,478	320,819	163,592	160,044	182,634	196,799	548,136	452,812	16,892,067	10,200,801
Interests in associates	50,361	30,555	8,747	-	-	-	35,140	27,000	-	-	94,248	57,555
Total assets											16,986,315	10,258,356
Segment liabilities	(7,063,246)	(3,959,746)	(1,172,010)	(42,660)	(66,198)	(110,362)	(12,206)	(38,553)	(96,770)	(102,735)	(8,410,430)	(4,254,056)
Unallocated liabilities											(200,110)	(48,843)
Total liabilities											(8,610,540)	(4,302,899)
Capital expenditure	891,779	892,833	600,348	88,462	1,359	2,477	48	540	46,515	21,380	1,540,049	1,005,692
Impairment losses	76,073	58,774	4,057	-	6,112	2,279	-	-	90,688	45,871	176,930	106,924
Depreciation and amortisation	208,810	180,320	25,724	2,471	3,843	7,891	507	827	12,273	16,081	251,157	207,590

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3 Segment reporting (continued)

Geographical segments

	USA		*Europe*		*Asia*		*Other regions*		*Total*	
	2004	*2003*	*2004*	*2003*	*2004*	*2003*	*2004*	*2003*	*2004*	*2003*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	6,606,070	3,591,483	13,747,940	6,308,050	5,729,132	3,504,819	474,515	300,860	26,557,657	13,705,212
	========	=======	=======	=======	========	=======	=======	=======	========	========

	PRC		*Outside PRC*		*Total*	
	2004	*2003*	*2004*	*2003*	*2004*	*2003*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment assets	16,448,190	9,927,168	443,877	273,633	16,892,067	10,200,801
	========	========	=======	=======	========	========
Capital expenditure	1,520,679	964,117	19,370	41,575	1,540,049	1,005,692
	========	========	=======	=======	========	========

4 Acquisitions of subsidiaries

Acquisitions

On 1 January 2004, the Group acquired the entire shares in Zhangzhou CIMC Container Co., Ltd. ("ZZCIMC") for RMB49,880,000, satisfied in cash, of which RMB2,294,000 was prepaid in 2003. The principal activities of ZZCIMC are manufacturing and sales of containers. During the year, ZZCIMC contributed net profit of RMB97,340,000 to the consolidated net profit for the year.

On 1 January 2004, the Group acquired a 48% shareholding interest in Jinan CIMC - KOGEL Special Automobile Co., Ltd. ("KGR") for RMB33,601,000, satisfied in cash, of which RMB10,080,000 was prepaid in 2003. The principal activities of KGR are manufacturing and sales of trailers. During the year, KGR incurred net loss of RMB5,759,000 which reduced the consolidated net profit for the year by the same amount.

On 1 January 2004, the Group acquired the entire shares in Yangzhou Xincheng Yongheng Development Co., Ltd. ("XCYH") for RMB17,736,000, satisfied in cash. The principal activities of XCYH are manufacturing and sales of trailers. During the year, XCYH contributed net profit of RMB1,037,000 to the consolidated net profit for the year.

On 1 January 2004, the Group acquired a 75.53% shareholding interest in both Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd. ("YZTH") and Yangzhou CIMC Xing Hua Machinery Co., Ltd. ("YZXH") for a total consideration of RMB71,169,000, satisfied in cash, of which RMB19,131,000 and RMB50,000,000 were prepaid in 2002 and 2003 respectively. At 31 December 2004, part of the consideration amounting to RMB2,038,000 remained unpaid. The principal activities of YZTH and YZXH are manufacturing and sales of trailers. During the year, YZTH contributed net profit of RMB45,392,000 to the consolidated net profit for the year and YZXH incurred net loss of RMB69,000 which reduced the consolidation net profit for the year by the same amount.

On 16 March 2004, the Group acquired a 60% shareholding interest in Clive-Smith Cowley Limited ("CSC") for RMB46,545,000, satisfied in cash. The principal activities of CSC are manufacturing and sales of container components. During the period from 17 March 2004 to 31 December 2004, CSC contributed net profit of RMB14,026,000 to the consolidated net profit for the year.

On 30 April 2004, the Group acquired a 70% shareholding interest in CIMC Australia Pty Ltd. ("CIMC AUS") for RMB7,998,000, satisfied in cash. The principal activity of CIMC AUS is trading of trailers and relevant accessories. During the period from 1 May 2004 to 31 December 2004, CIMC AUS contributed net profit of RMB250,000 to the consolidated net profit for the year.

4 Acquisitions of subsidiaries (continued)

Acquisitions (continued)

On 1 October 2004, the Group acquired a 51% shareholding interest in Zhumadian CIMC Huajun Vehicle Co., Ltd. ("HJCIMC") for RMB100,000,000, satisfied in cash. The principal activities of HJCIMC are manufacturing and sales of trailers and relevant accessories. During the period from 2 October 2004 to 31 December 2004, HJCIMC contributed net profit of RMB20,609,000 to the consolidated net profit for the year.

On 1 November 2004, the Group acquired a 91% shareholding interest in Zhangjiagang CIMC Shendayin Machinery Co., Ltd. ("SDY") for RMB63,700,000, satisfied in cash. The principal activities of SDY are designing, manufacturing and sales of tanks and related equipment. During the period from 2 November 2004 to 31 December 2004, SDY contributed net profit of RMB5,442,000 to the consolidated net profit for the year.

4 Acquisitions of subsidiaries (continued)

Effect of acquisitions

The acquisitions had the following effects on the Group's assets and liabilities:

	Note	2004 RMB'000	2003 RMB'000
Property, plant and equipment		285,761	112,060
Lease prepayment (non-current)		75,572	4,811
Lease prepayment (current)		1,814	535
Construction in progress	14	21,431	70
Intangible assets	16	6,851	-
Inventories		345,164	84,367
Trade and other receivables		520,472	352,094
Cash at bank		197,341	42,113
Interest in equity securities		21,946	3,974
Current interest-bearing bank loan	33	(173,688)	(113,660)
Trade and other payables		(774,942)	(248,534)
Taxation	9(c)	(27,994)	(1,916)
Non-current interest-bearing bank loan	33	(38,000)	-
Net identifiable assets and liabilities		461,728	235,914
Minority interests		(152,902)	(121,042)
Goodwill on acquisition		81,803	4,098
Consideration paid in 2002 and 2003, satisfied in cash		(81,505)	-
Remaining consideration unpaid		(2,038)	-
Consideration paid in 2004, satisfied in cash		307,086	118,970
Cash acquired		(197,341)	(42,113)
Net cash outflow		109,745	76,857

5 Other operating income

	2004	*2003*
	RMB'000	RMB'000
Gain on disposal of listed equity securities	18,527	7,990
Gain on disposal of interests in associates	-	5,278
Tax refunds from capitalisation of subsidiaries' earnings	5,086	5,604
Profit on disposal of scrap materials and spare parts	176,476	89,353
Service income	15,044	6,157
Tax refund or government incentive received	21,085	13,065
Insurance compensation	2,737	4,607
Gain on recognition of negative goodwill	4,776	-
Others	28,798	9,072
	272,529	141,126

6 Other operating expenses

	2004	*2003*
	RMB'000	RMB'000
Loss on disposal of property, plant and equipment	9,274	21,282
Impairment losses of property, plant and equipment	76,505	39,248
Net amortisation of goodwill	9,155	18,956
Amortisation of timber concession rights	3,205	7,967
Impairment losses of timber concession rights	90,687	45,871
(Reversal of) / allowance for doubtful debts	(891)	7,600
Amortisation of other intangible assets	1,733	4,455
Amortisation of negative goodwill in an associate	(255)	(255)
Consultancy fees	7,545	4,499
Penalties	616	378
Impairment losses of unlisted equity securities	3,694	21,805
Impairment losses of prepayment for investments	6,044	-
Donations	2,110	356
Guarantee losses (note 30)	80,000	-
Others	20,439	8,270
	309,861	180,432

7 Staff costs

	2004	*2003*
	RMB'000	RMB'000
Wages and salaries	1,858,124	819,937
Contributions to defined contribution plans	70,590	43,353
	1,928,714	863,290

The number of employees employed by the Group as at 31 December 2004 was 28,075 (2003: 22,521).

8 Net financing costs

	2004	*2003*
	RMB'000	RMB'000
Interest income	14,457	19,007
Dividend income	13,377	8,705
Foreign exchange gains	6,017	9,033
Total financial income	33,851	36,745
Interest expense	(63,626)	(50,672)
Foreign exchange losses	(5,526)	(7,684)
Other financial expenses	(8,293)	(8,948)
Total financial expenses	(77,445)	(67,304)
Less: Interest capitalised into construction in progress and properties under development *	6,806	5,266
	(70,639)	(62,038)
Net financing costs	(36,788)	(25,293)

* Interest expense has been capitalised at a rate of 2.8% (2003: 1.9%) per annum.

9 Taxation

(a) Taxation in the consolidated income statement represents:

	2004 RMB'000	*2003* RMB'000
Provision for the PRC income tax for the year	322,594	119,145
Overprovision in respect of the prior year	(17,366)	(9,045)
	305,228	110,100
Share of associates' income tax	4,045	1,569
Deferred taxation (note 9(d))	(32,168)	(308)
	277,105	111,361

The charge for PRC income tax of the Company is calculated at the rate of 15% (2003: 15%) on the estimated assessable income of the year determined in accordance with relevant income tax rules and regulations.

The income tax rates applicable to the Company's principal subsidiaries in the PRC range from 15% to 33%, and some subsidiaries have been granted a tax holiday for not more than five years.

No provision for Hong Kong Profits Tax for a Hong Kong incorporated subsidiary has been made in the financial statements as the subsidiary sustained accumulated losses for taxation purposes.

The income tax rates applicable to the Company's overseas subsidiaries range from 17.5% to 40%.

9 Taxation (continued)

(b) Reconciliation of income taxes calculated at the applicable tax rate with actual tax expenses:

	2004	*2003*
	RMB'000	RMB'000
Accounting profit before tax	2,847,209	888,830
	=======	=======
Computed tax using the PRC income tax rate applicable to foreign investment enterprises in Special Economic Zone	427,081	133,325
Effect of tax rates differential in respect of Subsidiaries and associates	(141,146)	(8,666)
Non-taxable income	(123,197)	(44,517)
Non-deductible expenses	129,019	39,003
Overprovision in respect of the prior year	(17,366)	(9,045)
Share of associates' income tax	4,045	1,569
Effect of tax losses	(1,331)	(308)
Income tax expense	277,105	111,361
	=======	=======

(c) Taxation in the consolidated balance sheet represents:

	2004	*2003*
	RMB'000	RMB'000
Provision for income tax at 1 January	48,843	26,142
Charge for the year	322,594	119,145
Overprovision in respect of the prior year	(17,366)	(9,045)
Addition through acquisitions of subsidiaries (note 4)	27,994	1,916
Income tax paid	(181,955)	(89,315)
Provision for income tax at 31 December	200,110	48,843
	=======	=======

9 Taxation (continued)

(d) Deferred taxation

The movements during the year are as follows:

	2004 RMB'000	*2003* RMB'000
Balance at 1 January	20,205	19,897
Utilised during the year (note 9(a))	(20,205)	-
Recognised during the year (note 9(a))	52,373	308
Balance at 31 December	52,373	20,205

Deferred tax assets have not been recognised in respect of the following items:

	2004 RMB'000	*2003* RMB'000
Deductible temporary differences	112,531	43,218
Tax losses	71,965	99,322
	184,496	142,540

At 31 December 2004, deferred tax assets of RMB52 million (2003: RMB20 million) are provided for certain unutilised tax losses and deductible temporary differences of RMB 21 million (2003: RMB20 million) and RMB31 million (2003: Nil) respectively. The deductible temporary differences included allowances for doubtful debts (RMB14 million), net realisable value adjustments to inventories (RMB3 million), impairment losses of property, plant and equipment (RMB9 million), and others (RMB5 million). Deferred tax assets relating to unutilised tax losses and deductible temporary differences of RMB72 million and RMB112 million respectively have not been recognised as it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

The tax losses in respect of the Company's PRC subsidiaries expire in 2008 and 2009. The tax losses in respect of certain overseas subsidiaries expire in 2024. The deductible temporary differences do not expire under current tax legislation.

10 Dividends

(a) Dividend attributable to the year

	2004	*2003*
	RMB'000	RMB'000
Final dividend proposed after the balance sheet date:		
Cash dividend of RMB0.50 per share (2003: RMB0.38 per share)	504,241	239,515
	=======	=======

Pursuant to a resolution passed at the directors' meeting on 2 March 2005, a final dividend of RMB0.50 (2003: RMB0.38) per share totalling RMB 504,241,677 (2003: RMB239,514,796) was proposed for shareholders' approval at the Annual General Meeting.

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividend attributable to the previous financial year, approved and paid during the year

	2004	*2003*
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the year:		
- Cash dividend of RMB0.38 per share (2003: Nil)	239,515	-
	=======	=======

11 Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of RMB2,464,992,000 (2003: RMB694,051,000) and 1,008,483,353 shares (2003: 900,428,277 shares after adjusting for the share premium capitalisation issue in 2004) in issue during the year.

There were no diluting potential ordinary shares in existence during the years ended 31 December 2003 and 2004.

12 Property, plant and equipment

	Land and buildings RMB'000	*Machinery and equipment* RMB'000	*Motor vehicles* RMB'000	*Office furniture and other assets* RMB'000	*Total* RMB'000
Cost or valuation:					
Balance at 1 January 2004	1,342,164	1,530,577	147,463	206,876	3,227,080
Additions					
-through acquisitions of subsidiaries	174,810	167,728	20,034	15,407	377,979
-others	88,777	57,476	14,823	23,780	184,856
Transfer from construction in progress (note 14)	373,319	308,898	10,903	16,557	709,677
Disposals	(41,899)	(103,863)	(43,502)	(11,852)	(201,116)
Balance at 31 December 2004	1,937,171	1,960,816	149,721	250,768	4,298,476
Representing:					
Cost	1,826,226	1,838,346	140,741	243,417	4,048,730
Valuation	110,945	122,470	8,980	7,351	249,746
	1,937,171	1,960,816	149,721	250,768	4,298,476
Depreciation and impairment losses:					
Balance at 1 January 2004	203,125	582,240	99,035	93,814	978,214
Through acquisitions of subsidiaries	26,952	52,974	6,245	6,047	92,218
Charge for the year	52,220	125,370	15,730	33,394	226,714
Impairment losses	30,101	45,114	19	1,271	76,505
Reversal of impairment losses on disposals	(21,635)	(15,946)	(707)	(3,127)	(41,415)
Disposals	(3,598)	(80,582)	(41,736)	(11,770)	(137,686)
Balance at 31 December 2004	287,165	709,170	78,586	119,629	1,194,550
Carrying amount:					
At 31 December 2004	1,650,006	1,251,646	71,135	131,139	3,103,926
At 31 December 2003	1,139,039	948,337	48,428	113,062	2,248,866

12 Property, plant and equipment (continued)

(a) The Group's buildings are mainly located in the PRC.

(b) The Group revalues its property, plant and equipment on a rolling basis so that within a seven-year period all the assets are revalued once. Based on a revaluation performed by firms of independent valuers as of 31 December 2004 under this program, the carrying value of the revalued property, plant and equipment did not differ materially from their fair value.

The directors have reviewed remaining property, plant and equipment as of 31 December 2004 to ensure that they are not materially different from their fair value.

(c) At 31 December 2004, land and buildings with a carrying amount of RMB13,451,000 (2003: Nil) were secured for a bank loan (note 27).

13 Lease prepayments

Lease prepayments represent the land use rights of the Group in respect of land located in the PRC for a period of 11 to 50 years from the respective dates of grant. The remaining lease periods of these land use rights range from 5 to 50 years.

14 Construction in progress

	2004	*2003*
	RMB'000	RMB'000
At 1 January	172,435	226,717
Additions		
-through acquisitions of subsidiaries (note 4)	21,431	70
-others	955,783	767,783
Transfer to property, plant and equipment (note 12)	(709,677)	(827,351)
Interest capitalised (note 8)	6,806	5,216
At 31 December	446,778	172,435
	=======	=======

Construction in progress at 31 December 2004 is analysed as follows:

	2004	*2003*
	RMB'000	RMB'000
Projects		
Machinery and equipment	153,890	61,000
Office buildings and factories	292,888	106,696
Network facilities	-	4,739
	446,778	172,435
	=======	=======

15 Timber concession rights

	2004 RMB'000	*2003* RMB'000
At 1 January	175,129	228,967
Amortisation for the year	(3,205)	(7,967)
Impairment losses for the year	(90,687)	(45,871)
At 31 December	81,237	175,129

These rights represent the cost of acquisition of the timber concession rights in respect of designated areas of land in the Republic of Suriname ("Suriname") and Kingdom of Cambodia ("Cambodia") with terms expiring between 2016 to 2023.

The Ministry of Agriculture, Forest and Fisheries ("MAFF") of Cambodia has suspended logging activities of all concessionaires, including those of the Group since 2001. The directors are of the opinion that it is unlikely that the above-mentioned suspension will be uplifted in the foreseeable future. In view of this, full impairment loss has been made on the carrying value of the related concession rights up to 31 December 2004.

The timber concession right in respect of designated areas of land in Cambodia has been amortised using straight line method over 23 years until full impairment loss was made.

No amortisation of timber concession right has been made in respect of designated areas of land in Suriname as the relevant commercial logging operations have not yet started.

16 Intangible assets

	Goodwill RMB'000	*Negative goodwill* RMB'000	*Technological know-how* RMB'000	*Total* RMB'000
At 1 January 2004	15,696	(11,205)	4,752	9,243
Addition				
-through acquisitions of subsidiaries	93,158	(7,497)	6,851	92,512
Amortisation for the year	(14,607)	5,452	(1,733)	(10,888)
At 31 December 2004	94,247	(13,250)	9,870	90,867

17 Interests in associates

	2004 RMB'000	*2003* RMB'000
Unlisted associates		
Share of net assets	80,748	44,055
Loans to an associate	13,500	13,500
	94,248	57,555

Loans to an associate are unsecured, interest-free and have no fixed repayment terms.

Details of the major associates at 31 December 2004 are as follows:

Name of company	*Place of establishment /operation*	*Percentage of equity held by the Group*	*Principal activities*
KYH Steel Holdings Limited ("KYH")	The British Virgin Islands / Hong Kong	31.83%	Investment holding with subsidiaries principally engaged in Trading of steel products
Jiangmen CIMC Skyspace Real Estate Co., Ltd. ("JMSR")	PRC	45%	Property development
Yangzhou Maxi-Cube Tong Composites Material Co., Ltd. ("YMTC")	PRC	37.77%	Manufacturing and sales of composite materials for vehicle products

18 Investments in equity securities

	2004	*2003*
	RMB'000	RMB'000
Investments available-for-sale		
Unlisted equity securities, at cost less impairment loss	271,907	274,260
	=======	=======
Investments held for trading		
Listed equity securities, at fair value	140,081	168,775
	=======	=======

Listed equity securities are listed on the PRC Stock Exchanges.

19 Long-term receivables

	2004	*2003*
	RMB'000	RMB'000
Trade and other receivables	110,083	84,639
Amounts due within one year included in current assets	(17,580)	(39,634)
	92,503	45,005
	=======	=======

Long-term receivables include the following:

(a) RMB77.1 million receivable (2003: Nil) bearing interest at London Inter Bank Offered Rate plus 3% per annum to be received by instalments up to 2014;

(b) RMB15.4 million interest free car loan (2003: RMB 8.4 million) to staff, senior management and directors to be received by instalments up to 2009;

(c) Nil receivable (2003: RMB34.5 million) bearing interest at London Inter Bank Offering Rate plus 4% per annum to be received by instalments up to 2005; and

(d) Nil receivable (2003: RMB2.1 million) bearing interest at 10% per annum to be received by instalments up to 2005.

20 Prepayment for investments

Prepayment for investments represented proceeds prepaid by the Group for certain investments which have not been completed as at 31 December 2004.

21 Properties under development

	2004	*2003*
	RMB'000	RMB'000
As at 1 January	62,162	150,382
Additions	30,772	193,741
Interest capitalised (note 8)	-	50
Transfer to completed properties for sale	-	(282,011)
As at 31 December	92,934	62,162

22 Inventories

	2004	*2003*
	RMB'000	RMB'000
Raw materials	2,645,623	973,946
Work in progress	375,463	194,848
Finished goods	1,337,914	138,305
Spare parts and consumables	79,417	43,529
	4,438,417	1,350,628
Inventories stated at net realisable value	362,286	176,268

23 Trade and other receivables

	2004	*2003*
	RMB'000	RMB'000
Trade receivables	4,924,532	3,218,597
Deposits, prepayments and other receivables	1,113,716	1,233,804
	6,038,248	4,452,401

23 Trade and other receivables (continued)

On 28 December 1999, the Group entered into a "Receivables Framework Agreement" ("the Agreement") with Oasis Funding Limited ("Oasis"). Pursuant to the agreement, the Group would sell, assign and transfer certain accounts receivable to Oasis. Oasis would accept the assignment of accounts receivable offered by the Group without recourse and provide funds to the Group in this regard. The Agreement was expired on 10 May 2004.

In 2004, the Group paid back the excess advances which were previously received from Oasis totalling RMB 414 million to Oasis (2003: the Group received advances of RMB 414 million from Oasis). In view of expiry of the Agreement, the Group has nil outstanding trade receivables assigned to Oasis at 31 December 2004 (2003: RMB1,325 million).

24 Cash and cash equivalents

	2004	*2003*
	RMB'000	RMB'000
Cash in hand	625	1,121
Bank balances	1,482,540	705,483
	1,483,165	706,604
	=======	=======

25 Share capital

	2004	*2003*
	RMB'000	RMB'000
Registered, issued and paid up capital		
363,781,013 legal person shares (2003: 227,363,133 shares) of RMB 1 each	363,781	227,363
302,933,219 "A" shares (2003: 189,333,262 shares) of RMB 1 each	302,933	189,333
341,769,121 "B" shares (2003: 213,605,701 shares) of RMB 1 each	341,769	213,606
	1,008,483	630,302
	=======	=======

All legal persons, "A" and "B" shares rank pari passu in all material respects.

25 Share capital (continued)

Pursuant to a resolution passed at the directors' meeting on 16 March 2004 and approved at the Annual General Meeting on 21 April 2004, the Company increased its share capital from RMB630 million to RMB1,008 million through capitalisation of share premium amounting to RMB378 million (note 26).

Pursuant to a resolution passed at the directors' meeting on 2 March 2005, increase in the Company's share capital from RMB1,008 million to RMB2,016 million through capitalisation of share premium amounting to RMB1,008 million was proposed for shareholders' approval at the forthcoming Annual General Meeting.

26 Reserves

	Attributable to equity holders of the parent						
	Share premium	*Property revaluation reserve*	*Exchange reserve*	*Surplus reserve*	*Statutory public welfare fund*	*Retained profits*	*Total*
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2003	613,637	18,521	3,003	975,804	187,261	541,969	2,340,195
Shares issued, net of issuance costs of RMB 49 million	1,631,105	-	-	-	-	-	1,631,105
Net profit for the year	-	-	-	-	-	694,051	694,051
Transfer from retained earnings	-	-	-	933,555	35,688	(969,243)	-
Balance at 31 December 2003	2,244,742	18,521	3,003	1,909,359	222,949	266,777	4,665,351
	=======	========	======	========	========	========	========
Balance at 1 January 2004	2,244,742	18,521	3,003	1,909,359	222,949	266,777	4,665,351
Capitalisation of share premium (note 25)	(378,181)	-	-	-	-	-	(378,181)
Reversal on dissolution of subsidiaries	-	(4,571)	4,717	-	-	-	146
Dividends (note 10(b))	-	-	-	-	-	(239,515)	(239,515)
Net profit for the year	-	-	-	-	-	2,464,992	2,464,992
Transfer from retained earnings	-	-	-	1,745,689	129,135	(1,874,824)	-
Balance at 31 December 2004	1,866,561	13,950	7,720	3,655,048	352,084	617,430	6,512,793
	=======	========	======	========	========	========	========

26 Reserves (continued)

(a) Surplus reserve comprises a statutory surplus reserve of RMB604,148,000 (2003: RMB332,993,000) and a discretionary surplus reserve of RMB3,050,900,000 (2003: RMB1,576,366,000).

According to the Company's articles of association, the Company is required to transfer not less than 10% of its profit after taxation to the statutory surplus reserve until the surplus reaches 50% of the registered capital. For the purpose of calculating the transfer to reserve, the profit after taxation shall be the amount determined under PRC accounting rules and regulations. The transfer to this reserve must be made before distribution of dividend to shareholders.

Statutory surplus reserve can be used to make good previous years' losses, if any, and for capitalisation issue provided that the balance after such issue is not less than 25% of the registered capital.

The transfer to discretionary surplus reserve from the retained earnings is subject to the approval of shareholders at general meetings. Its usage is similar to that of statutory surplus reserve.

(b) According to the Company's articles of association, the Company is required to transfer 5% to 10% of its profit after taxation to the statutory public welfare fund. The statutory public welfare fund can only be used on capital expenditure for the collective benefits of the Company's employees such as the construction of dormitories, canteens and other staff welfare facilities. The fund forms part of the shareholders' equity as individual employees can only use these facilities, the titles of which will remain with the Company. The transfer to this fund must be made before distribution of dividends to shareholders.

(c) According to the Company's articles of association, the amount of retained profits available for distribution to shareholders of the Company is the lower of the amount determined in accordance with the PRC accounting rules and regulations and the amount determined in accordance with IFRS. As at 31 December 2004, the amount of retained profits available for distribution, which was the amount determined in accordance with the PRC accounting rules and regulations, was RMB504,241,000 (2003: RMB289,381,000).

27 Interest-bearing bank loans

	Note	*2004* RMB'000	*2003* RMB'000
Secured			
Due after 2 years but within 5 years	*(a)*	20,000	-
Unsecured			
Due within 3 months		549,204	283,418
Due after 3 months but within 1 year		1,143,325	228,908
Due after 1 year but within 2 years		13,000	34,000
Due after 2 years but within 5 years		789,728	388,084
		2,495,257	934,410
Total		2,515,257	934,410
Amounts due within 1 year		(1,692,529)	(512,326)
Amounts due after 1 year		822,728	422,084

	2004 RMB'000	*2003* RMB'000
Represented by:		
Loans denominated in		
- United States dollars	2,143,614	801,163
- Renminbi Yuan	366,000	133,247
- Euro	5,643	-
	2,515,257	934,410

(a) At 31 December 2004, the bank loan of RMB20 million was secured over land and buildings with a carrying amount of RMB13,451,000 (note 12(c)).

(b) Interest rates are within the range of 1.05% to 6.37% per annum (2003: 1.63% to 5.04% per annum).

28 Non interest-bearing bank loan

	2004 RMB'000	*2003* RMB'000
Secured		
Due after 3 months but within 1 year	-	29,670

The bank loan of RMB29,670,000 at 31 December 2003 was secured by the same amount of value added tax receivable.

29 Trade and other payables

	2004 RMB'000	*2003* RMB'000
Trade payables	2,733,821	1,544,448
Other payables and accruals	792,195	546,532
Staff salary and bonus payable	832,297	351,954
Deposits received	132,750	68,490
Bills payable	851,960	394,706
	5,343,023	2,906,130

30 Provisions

	Warranties RMB'000 (a)	*Guarantee loss* RMB'000 (b) & (note 6)	*Total* RMB'000
Balance at 1 January 2004	383,846	-	383,846
Net provisions made during the year	95,484	80,000	175,484
Provisions used during the year	(7,180)	-	(7,180)
Balance at 31 December 2004	472,150	80,000	552,150

(a) The provision for warranties mainly relates to containers and trailers sold during the last three years. The provision is based on estimates made from historical warranty data associated with similar products.

(b) During 2004, CIMC Vehicle Group Co., Ltd. ("CVG") provided guarantees totalling RMB100 million for the two bank loans borrowed by Qingdao CIMC Transportation Equipment Co., Ltd. ("QDTE") in which the Group prepaid investment costs amounting to RMB2 million and RMB4 million in 2003 and 2004 respectively.

Given that QDTE sustains adverse financial position continually, the directors are of the opinion that QDTE is unlikely to improve its financial position in the foreseeable future and was resolved to be liquidated in 2005. The directors are also of the opinion that CVG has to repay the bank loans of RMB80 million on behalf of QDTE after assessing the loan repayment ability of QDTE.

In view of the above, the guarantee loss of RMB80 million and full provision on the prepaid investment costs in QDTE of RMB6 million have been provided for in the Group's consolidated financial statements for the year ended 31 December 2004. In addition, the remaining guaranteed amount of RMB20 million has been disclosed as contingent liability in the Group's consolidated financial statements for the year ended 31 December 2004 (note 32(b)).

31 Capital and lease commitments

(a) Capital commitments:

As at 31 December 2004, the Group had capital commitments outstanding as follows:

	2004 RMB'000	*2003* RMB'000
Authorised and contracted for	405,992	684,581
Authorised but not contracted for	76,134	138,605
	482,126	823,186
	=======	=======

(b) Lease commitments

As at 31 December 2004, the Group had commitments under non-cancellable operating leases, not provided for as follows:

	2004 RMB'000	*2003* RMB'000
Operating lease charges payable:		
Within l year	63,262	32,149
After 1 year but within 5 years	27,127	40,796
After 5 years	64,145	81,159
	154,534	154,104
	=======	=======

The Group leases certain areas of land, a number of offices, and a factory under operating leases. The leases of land, offices and factory run for an initial period between 1 to 50 years, with an option to renew the lease after the expiry date. Lease payments of factory are revised upon renewal to reflect market rentals. None of the leases includes contingent rentals.

During the year ended 31 December 2004, RMB68 million was recognised as expenses in the consolidated income statement in respect of operating leases (2003: RMB52 million).

32 Contingencies

(a) At 31 December 2004, the Group has bills issued to suppliers totalling RMB659 million with maturity dates ranging from 13 days to 90 days in respect of purchase orders placed but the goods yet to be delivered.

This kind of bills payable represents contingent liability of the Group. The obligation to settle the bills will arise only when the goods are delivered. A bill is recognised as a liability upon the delivery of the goods by the suppliers or the maturity of the bill, whichever is earlier.

(b) At 31 December 2004, the Group had provided guarantee to the banks for loans drawn down by QDTE amounting to RMB100 million, of which RMB80 million had been provided as guarantee loss in the Group's financial statement for the year ended 31 December 2004. This resulted in a net contingent exposure on guarantee of RMB20 million issued by the Group (note 30(b)) (2003: RMB21 million).

33 Notes to the consolidated statement of cash flows

Analysis of changes in financing activities during the year:

	2004	*2003*
	RMB'000	RMB'000
Bank loans		
Balance at 1 January	964,080	2,077,679
Proceeds from bank loans	12,232,448	12,210,004
Additions through acquisitions of subsidiaries (note 4)	211,688	113,660
Repayment of bank loans	(10,892,959)	(13,437,263)
Balance as at 31 December	2,515,257	964,080
	==========	=========

34 Related parties transactions

(i) The Group has undertaken transactions with the following related parties for the year ended 31 December 2004:

	Relationship with the Company	*2004* RMB'000	*2003* RMB'000
Sale of containers to Florens Container Services Company Limited ("Florens")	Subsidiary of Shareholder	240,281	570,331
Sale of trailers to COSCO North America, Inc. ("COSCO North America")	Subsidiary of Shareholder	28,272	-
Purchase of raw materials from Hempel-Hai Hong Coatings Company Limited ("Hempel")	Subsidiary of Shareholder	525,528	357,313
Payment of consultancy fee to COSCO Pacific Management Company Limited ("COSCO")	Subsidiary of Shareholder	2,567	3,146
Purchase of steel products from KYH	Associate	151,470	49,516
Purchase of raw materials from YMTC	Associate	4,864	-
		========	========

The directors are of the opinion that these transactions were concluded based on normal commercial terms in the ordinary course of business of the Group and were entered into in accordance with the relevant agreements.

34 Related parties transactions (continued)

(ii) The balance with associate is disclosed in note 17 on the consolidated financial statements. Details of the balances with other related parties were as follows:

	2004	*2003*
	RMB'000	RMB'000
Amount due from Florens	5,227	220,817
Amount due from COSCO North America	1,569	-
Amount due to Hempel	281,562	171,565
Amount due to COSCO	2,567	3,146
Amount due to KYH	732	811
Amount due to YMTC	899	-
	=======	=======

(iii) During the year, the Group has granted a new loan of RMB105,000 (2003: Nil) to an executive officer and has not granted any new loans (2003: Nil) to directors. The movements of the housing loans, car loans and other loans during the year were as follows:

	Balance at 1 January 2004	*Addition during the year*	*Repayment during the year*	*Balance at 31 December 2004*
	RMB'000	RMB'000	RMB'000	RMB'000
Executive officers	580	105	(440)	245
	=======	=======	=======	=======

The outstanding loans are unsecured, interest-free and are to be settled in 2005.

35 Financial instruments

Financial assets of the Group include cash and cash equivalents, securities, and trade and other receivables. Financial liabilities of the Group include loans, and trade and other payables.

(a) Interest rate risk

The interest rates and terms of repayment of bank loans of the Group are disclosed in note 27 of the consolidated financial statements.

35 Financial instruments (continued)

(b) Foreign exchange risk

Foreign exchange risk is defined as transaction risk, i.e. the risk of the Group's commercial cash flows being adversely affected by a change in exchange rates for foreign currencies against Renminbi Yuan, and balance sheet risk, i.e. the risk of net monetary assets in foreign currencies acquiring a lower value when translated into Renminbi Yuan as a result of currency movements. The Group strives to minimise the risk by achieving a balance between monetary assets and monetary liabilities in the respective currencies.

(c) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed completely to perform as contracted. Concentrations of credit risk (whether on or off balance sheet) that arise from financial instruments exist for groups of customers or counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. To reduce exposure to credit risk, the Group performs ongoing credit evaluations of the financial condition of its counterparties.

Substantially all the Group's cash and cash equivalents are deposited with PRC financial institutions with high credit ratings.

The Group generally does not require collateral from its customers and is exposed to credit-related losses in the event of non-performance by customers. However, the Group does not have significant unwarranted concentration of exposure to individual customers. The ten largest trade debtors accounted for 19% (2003: 24%) of the Group's total assets as at 31 December 2004.

35 Financial instruments (continued)

(d) Liquidity risk

Liquidity risk is defined as the risk that the Group will be unable to meet its cash flow obligations as they fall due. To manage liquidity risk, the Group closely monitors its liquidity to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding needs.

(e) Fair value

The fair value of unlisted equity securities could not reasonably be estimated without incurring excessive costs as there is no quoted market price for such securities in the PRC.

The fair values of trade and other receivables, and trade and other payables are not materially different from their carrying amounts.

At 31 December 2004, the fair value of the long-term receivables as estimated by applying a discounted cash flow using current market interest rates for similar financial instruments was RMB93,985,000 (2003: RMB44,345,000).

At 31 December 2004, the fair value of the interest-bearing bank loans (and non interest-bearing bank loans at 31 December 2003), including the current portion, as estimated by applying a discounted cash flow using current market interest rates for similar financial instruments was RMB2,513,734,000 (2003: RMB964,098,000).

Fair value estimates are made at a specific point in time and based on relevant market information and information about the relevant financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

36 Subsidiaries

Details of the Company's principal subsidiaries at 31 December 2004, all of which are unlisted, are as follows:

Name of company	*Issued and Fully paid capital*	*Percentage of equity held by the Group*	*Place of establishment and operation*	*Principal activities*
CIMC (Shanghai) Development Limited	RMB150,000,000	100%	PRC	Investment holding
Shenzhen Southern Zhongji Containers Manufacture Co., Ltd.	US$33,200,000	100%	PRC	Manufacture of containers
Shenzhen CIMC Real Estate Co., Ltd.	RMB50,000,000	100%	PRC	Property development
China International Marine Containers (Hong Kong) Limited	HK$2,000,000	100%	Hong Kong	Trading of containers and wagons and investment holding
National King Development Ltd.	HK$4,680,000	85%	Hong Kong	Investment holding
CIMC Holdings (B.V.I.) Limited	US$34,001	100%	The British Virgin Islands	Investment holding
Silveroad Woodproducts Limited	US$8,000	100%	Kingdom of Cambodia	Timber logging and trading
Tacoba Consultant N.V.	SF3,000,000	100%	Republic of Suriname	Timber logging and trading
Xinhui CIMC Container Flooring Co., Ltd.	US$15,500,000	82.94%	PRC	Further processing of timber

36 Subsidiaries (continued)

Name of company	*Issued and fully paid capital*	*Percentage of equity held by the Group*	*Place of establishment and operation*	*Principal activities*
Qingdao CIMC Container Manufacture Co., Ltd.	US$26,300,000	100%	PRC	Manufacture of containers
Qingdao CIMC Reefer Container Manufacture Co., Ltd.	US$39,060,000	89.30%	PRC	Manufacture of containers
Shanghai CIMC Generating Set Co., Ltd.	US$3,918,700	73%	PRC	Manufacture of internal combustion engine generators and related services
Shanghai CIMC Reefer Containers Co., Ltd.	US$31,000,000	72%	PRC	Manufacture of containers
Tianjin CIMC North Ocean Container Co., Ltd.	US$16,682,000	71.39%	PRC	Manufacture of containers
Nantong CIMC – Smooth Sail Container Co., Ltd.	US$7,700,000	56.9%	PRC	Manufacture of containers
Nantong CIMC Special Transportation Equipment Manufacture Co., Ltd.	US$10,000,000	56.9%	PRC	Manufacture of containers
Shenzhen CIMC – Tianda Airport Support Ltd.	US$13,500,000	100%	PRC	Manufacture of airport ground facilities

36 Subsidiaries (continued)

Name of company	*Issued and fully paid capital*	*Percentage of equity held by the Group*	*Place of establishment and operation*	*Principal activities*
CIMC Vehicle Group Co., Ltd. (formerly Shenzhen CIMC Heavy Industry Co., Ltd.)	US$30,000,000	100%	PRC	Manufacture of trailers
Shanghai CIMC Far East Container Co., Ltd.	US$9,480,000	52.5%	PRC	Manufacture of containers
Shanghai Yulan Property Development Co., Ltd.	RMB5,000,000	100%	PRC	Property development
Shanghai Fengyang Property Development Co., Ltd.	RMB30,000,000	100%	PRC	Property development
Xinhui CIMC Container Co., Ltd. (note)	US$24,000,000	40%	PRC	Manufacture of containers
Shenzhen CIMC Wood Co., Ltd.	RMB5,000,000	97.95%	PRC	Trading of timber
CIMC USA Inc.	US$10	100%	The U.S.A.	Investment holding
Manson Technology Limited	HK$10,000	100%	Hong Kong	Investment holding
Xinhui CIMC Special Transportation Equipment Manufacture Co., Ltd.	US$ 9,000,000	100%	PRC	Manufacture of containers
Shanghai CIMC Baowell Industries Co., Ltd. (note)	US$28,500,000	47.37%	PRC	Manufacture of containers

36 Subsidiaries (continued)

Name of company	*Issued and fully paid capital*	*Percentage of equity held by the Group*	*Place of establishment and operation*	*Principal activities*
Nantong CIMC Tank Equipment Co., Ltd.	US$10,000,000	56.9%	PRC	Manufacture of containers
Vanguard National Trailer Corporation	US$10	100%	The U.S.A.	Manufacture of trailers
Zhangzhou CIMC Container Co., Ltd.	US$12,000,000	100%	PRC	Manufacture of containers
Dalian CIMC Container Co., Ltd.	US$17,400,000	100%	PRC	Manufacture of containers
Ningbo CIMC Logistic Equipment Co., Ltd.	US$15,000,000	100%	PRC	Manufacture of containers
Yangzhou CIMC Tong Hua Special Vehicles Co., Ltd.	RMB67,390,000	75.53%	PRC	Manufacture of trailers
Yangzhou Xing Hua Machinery Co., Ltd.	RMB9,910,000	75.53%	PRC	Manufacture of trailers
Yangzhou Xincheng Yongheng Development Co., Ltd.	RMB16,000,000	100%	PRC	Investment holding
Jinan CIMC - KOGEL Special Automobile Co., Ltd.	USD 13,730,100	71.78%	PRC	Manufacture of trailers

36 Subsidiaries (continued)

Name of company	*Issued and fully paid capital*	*Percentage of equity held by the Group*	*Place of establishment and operation*	*Principal activities*
Shenzhen CIMC Vehicle Sales Company Ltd.	RMB3,000,000	100%	PRC	Sales of trailers
Taicang CIMC Containers Co., Ltd.	US$16,000,000	100%	PRC	Manufacture of containers
Shenzhen CIMC Special Vehicle Co., Ltd.	RMB60,000,000	100%	PRC	Manufacture of trailers
CIMC Vehicle Investment Holdings Co., Ltd.	US$1	100%	The British Virgin Islands	Investment holding
Qingdao CIMC Special Reefer Co., Ltd.	US$11,500,000	93.85%	PRC	Manufacture of containers
Qingdao CIMC Special Vehicles Co., Ltd.	RMB35,000,000	100%	PRC	Manufacture of trailers
Zhangjiagang CIMC Shendayin Machinery Co., Ltd.	RMB30,000,000	91%	PRC	Design, manufacture and sales of tanks and related equipment
Guangdong Xinhui CIMC Composite Material Co., Ltd.	US$3,000,000	100%	PRC	Further processing of timber
Zhumadian CIMC Huajun Vehicle Co., Ltd.	RMB105,340,000	51%	PRC	Manufacture and sales of trailers
Shanghai Meiyang Real Estate Co., Ltd.	RMB9,000,000	100%	PRC	Property development

36 Subsidiaries (continued)

Name of company	*Issued and fully paid capital*	*Percentage of equity held by the Group*	*Place of establishment and operation*	*Principal activities*
Dalian CIMC Logistics Equipment Co., Ltd.	US$2,000,000	100%	PRC	Manufacture of containers
Innermongolia Holonbuir CIMC Wood Co., Ltd.	US$12,000,000	100%	PRC	Further processing of timber
CIMC Australia Pty Ltd.	AUD50,000	70%	Australia	Trading of container and related products
Clive-Smith Cowley Ltd.	GBP100	60%	England	Manufacture and sales of container components

Note: The financial statements of Xinhui CIMC Container Co., Ltd. and Shanghai CIMC Baowell Industries Co., Ltd. are consolidated in the consolidated financial statements as the Group has the power to govern these companies' financial and operating policies in accordance with the terms of the relevant profit guarantee agreements. The directors are of the opinion that these profit guarantee agreements are extendable upon expiry.

Reconciliation of the Group's consolidated results and net assets prepared under International Financial Reporting Standards ("IFRS") and the PRC Accounting Rules and Regulations

		Profit attributable to shareholders for the year ended 31 December 2004	*Net assets at 31 December 2004*
		RMB'000	RMB'000
Prepared under the PRC Accounting Rules and Regulations		2,389,024	7,471,364
Adjustments to align with IFRS:			
(i)	Adjustment to minority interests	918	9,553
(ii)	Adjustment to deferred tax assets	32,168	52,370
(iii)	Adjustment to goodwill and negative goodwill	18,571	(47,470)
(iv)	Adjustment to interest capitalisation	6,152	19,090
(v)	Others	18,159	16,369
Prepared under IFRS		2,464,992	7,521,276
		========	========