



交大昆機科技股份有限公司

JIAODA KUNJI HIGH-TECH COMPANY LIMITED

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0300)

(OVERSEAS REGULATORY ANNOUNCEMENT) INDICATIVE ANNOUNCEMENT OF LOSS IN RESULTS FOR 2004

Under applicable rules of the Shanghai Stock Exchange of PRC, this announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited

The Company and all the members of the Board confirm the truth, accuracy and completeness of the information contained in this announcement, collectively and individually accept full responsibility for any fraudulent representation, misrepresentation or material omission in this announcement.

Reference is made to the Company's announcement dated on 28th January 2005, 10th June 2004, and 2nd April 2004 in China Securities Journal, Shanghai Securities News, and Hong Kong's China Daily, Wen Wei Po respectively, where the Company announced that the Company entrusted China Fortune Securities ("China Fortune") to conduct investment of RMB 50 millions on State Bonds by internal resource. The Company has been negotiating with China Fortune and its relevant parts about the operating failure from China Fortune leading the Company potential significant loss on the investment, and requested them to protect the investment and bear the loss of the investment.

Subject to the prudence, the provision on impairment loss on the investment as at 31st December 2004 was calculated as RMB 37,480,416.81 by reference to the balance of market capitalization of the investment. With considering the provision, the result of the Group as at 31st December 2004 would be loss. The details of the Group operating result will be disclosed in 2004 Annual Report which will be published on 28th April 2005. The Company will concern closely with the investment, try to protect the interest of the Company through the negotiation and other necessary manners, disclose the proceeding in the investment to the investors.

Shareholders and public investors are advised to take notice of market risks and exercise cautions when dealing on shares of the Company

Board of Directors
Jiaoda Kunji High Tech Company Limited

Kunming PRC, 21st April 2005

As at the date of this announcement, the Company's executive directors include Mr. Zhang Hanrong, Mr. Cheng Yunchuan, Mr. Wu Ketian; non-executive directors include Mr. Wang Shangjin, Mr. Jiang Zhuangde, Mr. Zhang Chao, Mr. Guo Shangwu; and independent non-executive directors include Mr. Yu Chengting, Mr. Tong Yunhuan, Ms. Dong Juan.

Please also refer to the published version of this announcement in China Daily.