

Four Years Financial Summary

SUMMARY FINANCIAL INFORMATION

A summary of the published results and of the assets, liabilities and minority interests of the Company and its subsidiaries (hereinafter collectively referred as “the Group”) for the last four financial years prepared on the basis set out in the note below is as follows:

Results

	2005 RMB'000	2004 RMB'000	2003 RMB'000	2002 RMB'000
Revenue	837,529	783,240	403,062	252,406
Cost of sales	(677,174)	(626,911)	(283,555)	(185,795)
Gross profit	160,355	156,329	119,507	66,611
Other income	17,145	15,554	8,058	1,130
Selling and distribution costs	(8,525)	(6,755)	(4,634)	(3,890)
Administrative costs	(23,958)	(16,676)	(13,146)	(9,711)
Other expenses	(284)	(881)	(29,653)	(236)
Profit from operating activities	144,733	147,571	80,132	53,904
Finance costs	(22,609)	(20,007)	(13,162)	(7,412)
Profit before income tax	122,124	127,564	66,970	46,492
Income tax expenses	—	—	(3,515)	(4,944)
Net profit for the year	122,124	127,564	63,455	41,548
Attributable to:				
Equity holders of the parent	122,141	127,653	48,412	21,261
Minority interests	(17)	(89)	15,043	20,287
	122,124	127,564	63,455	41,548
Dividends	47,405	—	33,500	—

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Assets, Liabilities and Minority Interests

	2005 RMB'000	2004 RMB'000	2003 RMB'000	2002 RMB'000
Total assets	1,131,895	826,833	763,599	460,830
Total liabilities	516,113	538,632	687,611	414,880
Minority interests	37	54	939	23,043
Net assets	615,782	288,201	75,988	45,950

The combined results of the Group for the year ended 31 December 2002, 2003 and 2004 have been extracted from the Prospectus of the Company dated 9 May 2005, while those for the year ended 31 December 2005 were prepared based on the consolidated income statement and balance sheet as set out on pages 35 to the 37. This summary does not form part of the audited financial statements.

Satisfactory Result

We have been able to maintain a relatively stable profit margin. We have greatly sped up our business development and strengthened the Group's leading position in the special steel market in the PRC.



