

Financial Highlights

Prepared under PRC Accounting Rules and Regulations

1. Major Accounting Data and Financial Indicators (*unaudited*)

	30 June 2006	31 December 2005	Increase / decrease compared to the beginning of the year (%)
Current assets (RMB'000)	7,971,953	7,462,181	6.83
Current liabilities (RMB'000)	7,516,764	6,087,263	23.48
Total assets (RMB'000)	27,914,364	27,101,918	3.00
Shareholders' equity(excluding minority interests)(RMB'000)	18,419,348	19,166,908	-3.90
Net asset value per share (RMB)	2.558	2.662	-3.91
Adjusted net asset value per share(RMB)	2.557	2.660	-3.87
	2006	2005	Increase / decrease compared to the period ended 30 June 2005 (%)
	Six-month period ended 30 June		
Net (loss) / profit ('000)	(27,560)	1,650,520	-101.67
Net profit excluding non-recurring items ('000)	12,432	1,773,308	-99.30
(Loss) / earnings per share (RMB)	-0.004	0.229	-101.75
Return on net assets (%)	-0.150	8.636	Decrease 8.786 percentage points
Net cash flows from operating activities ('000)	538,439	1,778,441	-69.72

2. Non-recurring items

	Amount RMB'000
Non-recurring items	
Non-operating expenses excluding provision for impairment loss on fixed assets	(62,099)
Non-operating income	15,049
Tax adjustments for the above items	7,058
Total	(39,992)

3. Differences between financial statements prepared under PRC Accounting Rules and Regulations and financial report prepared under IFRS

Items	Net (loss) / profit		Shareholder's equity (excluding minority interests)	
	Amount of the		Amount at the	
	Amount during the reporting period (RMB'000)	corresponding period of the previous year (RMB'000)	Amount at the end of the reporting period (RMB'000)	beginning of the reporting period (RMB'000)
Under PRC Accounting Rules and Regulations	(27,560)	1,650,520	18,419,348	19,166,908
Under IFRS	5,693	1,763,442	18,115,680	18,829,987

Please refer to the part C of financial reports for details of the description of differences.

4. Return on net assets and earnings per share calculated in accordance with Rule 9 of "Regulations on the preparation of information disclosures by companies publicly issuing securities" issued by CSRC

Profit in reporting period	Return on net assets(%)				Earnings per share(RMB)			
	Fully diluted		Weighted average		Fully diluted		Weighted average	
	For the six-month period ended 30 June				For the six-month period ended 30 June			
	2006	2005	2006	2005	2006	2005	2006	2005
Profit from principal operations	4.2	16.459	4.1	15.946	0.107	0.437	0.107	0.437
Profit from operations	-1.0	12.050	-1.0	11.675	-0.025	0.320	-0.025	0.320
Net profit	-0.1	8.636	-0.1	8.367	-0.004	0.229	-0.004	0.229
Net profit excluding non-recurring items	0.1	9.278	0.1	8.989	0.002	0.246	0.002	0.246

5. Various provisions under PRC Accounting Rules and Regulations

Description	The Group			
	As at 31 December 2005 RMB'000	Increase for the period RMB'000	Write-off for the period RMB'000	As at 30 June 2006 RMB'000
Total provision for bad debts	33,970	5,872	(2,785)	37,057
Of which: Trade debtors	25,845	2,029	(135)	27,739
Other debtors	8,125	3,843	(2,650)	9,318
Total provision for diminution in short-term investment	-	-	-	-
Of which: Stock investment	-	-	-	-
Bond investment	-	-	-	-
Total provision for diminution in inventories	50,070	33,407	-	83,477
Of which: Finished goods	50,070	33,407	-	83,477
Raw materials	-	-	-	-
Total provision for impairment losses of long-term investments	56,228	-	(3,490)	52,738
Of which: Long-term equity investments	56,228	-	(3,490)	52,738
Long-term bond investments	-	-	-	-
Total provision for impairment losses of fixed assets	58,945	-	-	58,945
Of which: Property and buildings	-	-	-	-
Equipment	58,945	-	-	58,945
Total provision for impairment losses of intangible assets	-	-	-	-
Of which: Patent rights	-	-	-	-
Trade mark rights	-	-	-	-
Provision for impairment losses of construction in progress	-	-	-	-
Provision for diminution in designated loan	-	-	-	-
Total provisions	199,213	39,279	(6,275)	232,217

Description	The Company			As at 30 June 2006 RMB'000
	As at 31 December 2005 RMB'000	Increase for the period RMB'000	Write-off for the period RMB'000	
Total provision for bad debts	23,113	-	(135)	22,978
Of which: Trade debtors	20,691	-	(135)	20,556
Other debtors	2,422	-	-	2,422
Total provision for diminution in short-term investment	-	-	-	-
Of which: Stock investment	-	-	-	-
Bond investment	-	-	-	-
Total provision for diminution in inventories	49,186	33,407	-	82,593
Of which: Finished goods	49,186	33,407	-	82,593
Raw materials	-	-	-	-
Total provision for impairment losses of long-term investments	-	-	-	-
Of which: Long-term equity investments	-	-	-	-
Long-term bond investments	-	-	-	-
Total provision for impairment losses of fixed assets	58,945	-	-	58,945
Of which: Property and buildings	-	-	-	-
Equipment	58,945	-	-	58,945
Total provision for impairment losses of intangible assets	-	-	-	-
Of which: Patent rights	-	-	-	-
Trade mark rights	-	-	-	-
Provision for impairment losses of construction in progress	-	-	-	-
Provision for diminution in designated loan	-	-	-	-
Total provisions	131,244	33,407	(135)	164,516

6. Changes in shareholders' equity

Item	Six-month Period ended 30 June 2006 RMB'000	Twelve-month Period ended 31 December 2005 RMB'000
Share capital		
At the beginning of the period	7,200,000	7,200,000
Increase during the period	-	-
Decrease during the period	-	-
At the end of the period	<u>7,200,000</u>	<u>7,200,000</u>
Capital reserve		
At the beginning of the period	2,856,278	2,856,278
Increase during the period	-	-
Decrease during the period	-	-
At the end of the period	<u>2,856,278</u>	<u>2,856,278</u>
Surplus reserve		
At the beginning of the period	4,537,022(restated)	2,820,394
Increase during the period	-	1,716,628
Of which: Statutory surplus reserve	-	170,463
Statutory public welfare fund transfer to statutory surplus reserve	-	1,546,165
Decrease during the period	-	-
At the end of the period	4,537,022	4,537,022(restated)
Of which: Statutory surplus reserve	<u>3,174,419</u>	<u>3,174,419(restated)</u>
Statutory public welfare fund		
At the beginning of the period	-(restated)	1,375,702
Increase during the period	-	170,463
Of which: Retain from net profits	-	170,463
Decrease during the period	-	1,546,165
Of which: Statutory public welfare fund transfer to statutory surplus reserve	-	1,546,165
At the end of the period	-	-(restated)
Undistributed profits		
At the beginning of the period	4,573,608	4,649,907
Increase during the period("-" represents net losses)	-27,560	1,704,627
Decrease during the period	720,000	1,780,926
At the end of the period	<u>3,826,048</u>	<u>4,573,608</u>