

OPERATION HIGHLIGHTS

Production volume Unit: tonne

Facility	For the year ended 31 December 2006	For the year ended 31 December 2005	Change (%)
Urea			
Fudao I	606,179	535,881	13.1
Fudao II	775,146	825,132	(6.1)
Tianye Chemical (note 1)	546,133	-	-
Total	1,927,458	1,361,013	41.6
Methanol			
Tianye Chemical (note 2)	89,695	-	-
CNOOC Jiantao (note 3)	54,167	-	-
Total	143,862	-	-

Notes:

1. The Company obtained effective control of Tianye Chemical on 19 January 2006 through acquisition. Tianye Chemical's production volume was incorporated into the Company's account from 19 January 2006. Tianye Chemical's urea production volume in 2005 was 491,322 tonnes, while its production volume in 2006 was 11.2% higher than that in 2005.

2. Tianye Chemical's methanol facility commenced commercial operation on 1 April 2006, and the abovementioned volumes were those from 1 April 2006 to 31 December 2006.

3. The CNOOC Jiantao methanol plant commenced commercial operation on 1 December 2006. The abovementioned volumes for methanol were calculated from date of the commencement of commercial operation.

Facility utilization rate Unit: %

Facility	For the year ended 31 December 2006	For the year ended 31 December 2005	Change (%)
Urea			
Fudao I	116.6	103.1	13.1
Fudao II	96.9	103.1	(6.0)
Tianye Chemical	105.0	-	-
Methanol			
Tianye Chemical	49.8	-	-
CNOOC Jiantao	90.3	-	-

Notes:

1. Equal to the percentage from actual annual production volume divided by designed annual production capacity. According to the industry norm in China, the designed annual production capacity is measured as daily production capacity multiplied by 300 days per year.

2. Tianye Chemical's methanol facility utilization rate was calculated for the 9 months ended 31 December 2006 while CNOOC Jiantao's methanol plant utilization rate was calculated for the 1 month ended 31 December 2006. The designed monthly production capacity is measured as daily production capacity multiplied by 30 days.

Sales volume Unit: tonne

Facility	For the year ended 31 December 2006	For the year ended 31 December 2005	Change (%)
Urea			
Fudao I	615,373	521,418	18.0
Fudao II	778,495	843,190	(7.7)
Tianye Chemical	553,393	-	-
Total	1,947,261	1,364,608	42.7
Methanol			
Tianye Chemical	97,186	-	-
CNOOC Jiantao	53,447	-	-
Total	150,633	-	-

Note: Tianye Chemical's methanol facility commenced commercial operation on 1 April 2006; The CNOOC Jiantao methanol plant commenced commercial operation on 1 December 2006. Both sales volumes were calculated from their respective commencement dates of commercial operations.