



Chapter XII Supplementary Information Provided by Management

- (1) The difference in the accounts for the year ended 31st December 2004 prepared in accordance with PRC GAAP and HK GAAP refer to Chapter II, Section 1, 2 in this report.
- (2) Fully diluted and weighted average return on equity (%) and earnings per share

Item	Profit for reporting period <i>RMB'000</i>	Return on equity (%)		Earnings per share (RMB)	
		Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal activities	597,113	23.40	23.91	0.99	0.99
Operating profit	139,678	5.47	5.59	0.23	0.23
Net profit	152,379	5.97	6.10	0.25	0.25
Net profit after extraordinary items	141,189	5.53	5.65	0.23	0.23

The above financial data are calculated as follows):

Calculating formulae of fully diluted return on equity (%) and earnings per share are as follows:

Fully diluted return on equity (%) = Profit for reporting period ÷ year-end equity

Fully diluted earnings per share = Profit for reporting period ÷ year-end number of shares

The formula of the calculation of return on equity (ROE) on a weighted average basis is:

$$ROE = \frac{P}{E0 + NP \div 2 + Ei \times Mi \div M0 - Ej \times Mj \div M0}$$

Of which: P is the profit of the reporting period; NP is the net profit of the reporting period; E0 is the net assets at the beginning of the reporting period; Ei is the increase in net assets arising from new issues of shares or conversions of loans into shares during the reporting period; Ej is the decrease in net assets arising from repurchases or cash distributions during the reporting period; M0 is the month of the reporting period; Mi is the number of remaining months immediately following the month of increase in net assets to the last month of the reporting period; Mj is the number of remaining months immediately following the month of decrease in net assets to the last month of the reporting period.

The formula for the calculation of earnings per share on a weighted average basis is:

$$EPS = \frac{P}{S0 + S1 + Si \times Mi \div M0 - Sj \times Mj \div M0}$$

Of which: P is the profit of the reporting period; S0 is the total number of shares at the beginning of the reporting period; S1 is the increase in the number of shares resulting from the increase in shareholdings by funds or stock dividends issue of shares; Si is the increase in the number of shares arising from new issues of shares or conversion of loans into shares during the reporting period; Sj is the decrease in the number of shares arising from repurchases or cash distributions during the reporting period; M0 is the month of the reporting period; Mi is the number of remaining months immediately following the month of increase in shares to the last month of the reporting period; Mj is the number of remaining months immediately following the month of decrease in shares to the last month of the reporting period.



(3) Breakdown of assets provision as at 31st December 2004

	1st January 2004		Newly acquired subsidiaries		Addition		Reversal due to the recovery of the assets value		Written off		31st December 2004	
	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
1. Bad debt provision, total	165,330,208	37,480,668	-	-	21,434,735	2,270,000	5,116,952	2,597,690	3,697,876	320,092	177,950,115	36,832,886
Including: Accounts receivable	149,217,353	37,480,668	-	-	13,689,664	2,000,000	5,116,952	2,597,690	3,697,876	320,092	154,092,189	36,562,886
Other receivables	16,112,855	-	-	-	7,745,071	270,000	-	-	-	-	23,857,926	270,000
2. Provision for short-term investment, total	-	-	-	-	-	-	-	-	-	-	-	-
Including: Trading securities	-	-	-	-	-	-	-	-	-	-	-	-
Debt investment	-	-	-	-	-	-	-	-	-	-	-	-
Fund investment	-	-	-	-	-	-	-	-	-	-	-	-
3. Provision for inventory, total	30,825,398	7,467,379	-	-	4,299,123	2,591,472	4,344,758	-	13,972	-	30,765,791	10,058,851
Including: Finished goods	19,063,528	7,467,379	-	-	2,845,772	2,591,472	833,248	-	13,972	-	21,062,080	10,058,851
Work in progress	5,161,985	-	-	-	-	-	-	-	-	-	5,161,985	-
Raw material	6,599,885	-	-	-	1,453,351	-	3,511,510	-	-	-	4,541,726	-
4. Provision for long-term investments, total	1,823,255	-	-	-	-	-	-	-	-	-	1,823,255	-
Including: Long-term equity investment	1,823,255	-	-	-	-	-	-	-	-	-	1,823,255	-
Long-term debt investment	-	-	-	-	-	-	-	-	-	-	-	-
5. Provision for fixed assets, total	44,365,785	32,080,139	-	-	-	-	54,831	-	136,552	87,738	44,174,402	31,992,401
Including: Buildings	1,543,164	-	-	-	-	-	-	-	48,814	-	1,494,350	-
Equipments	42,811,829	32,080,139	-	-	-	-	54,831	-	87,738	87,738	42,669,260	31,992,401
Conveyance	10,792	-	-	-	-	-	-	-	-	-	10,792	-
6. Provision for intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Including: Patent	-	-	-	-	-	-	-	-	-	-	-	-
Trademark	-	-	-	-	-	-	-	-	-	-	-	-
7. Provision for CIP	-	-	-	-	-	-	-	-	-	-	-	-
8. Provision for consignment loans	-	-	-	-	-	-	-	-	-	-	-	-

Legal representative:
Ye Maoxin

Person in charge of
accounting function:
Yao Yuming

Person in charge of
accounting department:
Mao Faqing

(4) Please refer to Chapter VII Section 2, 3, in this report for the analysis of the financial statement items whose fluctuation is over 30% (including 30%) or accounts for 5% (including 5%) of total assets at balance sheet date of more than 10% (including 10%) of the current period's profit.