

## 1. PRINCIPAL ACCOUNTING DATA AND FINANCIAL HIGHLIGHTS

- (1) In accordance with accounting principles generally accepted in the People's Republic of China ('the PRC') ('PRC GAAP')

Unit: RMB'000

Loss for the year	(9,709)
Net loss for the year	(17,081)
Profit excluding non-recurring items for the year	7,573
Principal operating profit	130,138
Other operating profit	1,245
Profit from operations	26,738
Investment income	(38,136)
Subsidy income	2,655
Net non-operating income	(966)
Cash flow from operating activities	107,196
Increase in cash and cash equivalents	21,118

- (2) In accordance with accounting principles generally accepted in Hong Kong ('HK GAAP')

Unit: RMB'000

Loss for the year	(10,365)
Net loss for the year	(17,586)
Profit from operations	40,397
Other operating income	11,329
Administrative expenses and distribution costs	101,070
Finance costs	(8,966)

## 2. IMPACT ON THE CONSOLIDATED NET PROFITS

	Net (loss) profit for the year ended 31st December,		Shareholder's equity at beginning of the year	
	2004	2003	2004	2003
	RMB'000	RMB'000	RMB'000	RMB'000
As per financial statements prepared under the PRC GAAP	(17,081)	15,063	521,841	504,771
Adjustments made in accordance with the HKGAAP:				
Amortisation on deferred gain on sale and lease back transaction	(666)	(664)	—	(666)
Gain on sale of land use right	—	—	6,960	6,960
Gain on deemed partial disposal of a subsidiary	—	925	925	925
Donations	11	—	—	—
Accrual rebate for profits tax of a subsidiary	150	—	—	150
As per financial statements prepared under the HK GAAP	(17,586)	15,324	529,726	512,140

## 3. NON-RECURRING ITEMS FOR THE YEAR

Unit: RMB'000

### Non-recurring items

Profit (Loss) from disposal of assets (excluding goods)	(7)
Loss from security investment	(37,480)
Government grants	4,005
Other non-operating income, net	25
Impairment loss written back	9,092
Impact of profits tax	(289)
Total	(24,654)

## 4. PRINCIPAL ACCOUNTING DATA AND FINANCIAL HIGHLIGHTS FOR THE LATEST 5 YEARS

### (1) In accordance with the PRC GAAP

Major accounting information		2004	2003	2002	2001	2000
Turnover	RMB'000	469,436	330,613	179,628	102,494	91,071
Operating loss	RMB'000	(9,709)	19,608	7,734	2,051	3,579
Net loss	RMB'000	(17,081)	15,063	6,078	2,051	3,576
Net profit after deduction of non-recurring items	RMB'000	7,573	7,620	3,710	(808)	2,251
		2004	2003	2002	2001	2000
Total assets	RMB'000	1,125,840	965,803	839,469	774,442	609,435
Shareholders' equity	RMB'000	504,771	521,841	506,778	499,034	509,337
Net cash flow from operating activities	RMB'000	107,196	93,983	(4,481)	(13,689)	12,934
Financial highlights		2004	2003	2002	2001	2000
Earnings per share (depreciated) (RMB) (full diluted)		(0.0697)	0.061	0.025	0.008	0.015
Latest earnings per share (RMB) (full diluted)		(3.38)	2.89	1.20	0.41	0.70
Returns on net assets (full diluted)						
Net assets per share after deduction of non-recurring items		1.50	1.46	0.73	(1.614)	0.004
Net cash flow from operating activities		0.44	0.38	(0.018)	(0.05)	0.05
Earnings per share (weighted average)		(0.0697)	0.061	0.025	0.008	0.011
Earnings per share after deduction of non-recurring items (full diluted)		0.031	0.031	0.015	(0.033)	0.009
Earnings per share after deduction of non-recurring items (weighted average)		0.031	0.031	0.015	(0.033)	0.009
Returns on net assets (weighted average)		(3.33)	2.93	1.20	0.41	0.71
Return on net assets after deduction of non-recurring items (weighted average)		1.48	1.48	0.73	(1.595)	0.004
Items		2004	2003	2002	2001	2000
Net assets per share		2.06	2.13	2.07	2.04	2.08
Net assets per share after adjustment		2.06	2.12	2.06	2.03	2.01

### (2) In accordance with the HK GAAP

Items	Units	2004	2003	2002	2001	2000
Turnover	RMB'000	469,436	330,613	179,628	102,494	91,071
Net (loss) profit for the year	RMB'000	(17,586)	15,324	6,726	8,236	1,375
Total assets	RMB'000	1,123,305	966,048	835,039	771,448	662,554
Total liabilities	RMB'000	561,467	385,931	307,999	263,812	163,144
Shareholders' equity	RMB'000	512,140	529,726	514,402	507,676	499,440
(Loss) earnings per share	Cents/Share	(7.20)	6.25	2.75	3.40	0.60
Net assets per share	RMB/Share	2.09	2.16	2.10	2.07	2.04
Return on net assets	%	(3.43)	2.89	1.31	1.62	0.28
Net assets per share after adjustments	RMB/Share	2.09	2.14	2.10	2.05	2.02
Net cash flow from operating activities per share	RMB/Share	0.47	0.36	0.51	(0.03)	0.07

**5. SUPPLEMENTAL INFORMATION DISCLOSED ACCORDING TO DISCLOSURE REQUIREMENT SET OUT IN ISSUE NO. 9 OF “THE CONTENT AND FORMAT OF DISCLOSURE INFORMATION BY LISTED COMPANIES” ISSUED BY CHINA SECURITIES SUPERVISION AND ADMINISTRATIVE COMMITTEE:**

*Unit: RMB*

Profit for the reporting period	Return on net assets (%)		Earnings per share	
	Full Dilutive	Weighted average	Dilutive	Weighted average
Principal operating profit	25.78	25.35	0.53	0.53
Profit from operations	5.30	5.21	0.109	0.109
Net profit for the year	(3.38)	(3.33)	(0.0697)	(0.0697)
Profit excluding non-recurring items for the year	1.50	1.48	0.031	0.031

**6. MOVEMENT IN SHAREHOLDERS' EQUITY**

**(1) In accordance with the PRC GAAP**

*Unit: RMB'000*

Items	Share Capital	Capital Surplus	Surplus Reserve	Included: Statutory Public Welfare Fund	Accumulated losses	Shareholders' equity
As at 1st January, 2004	245,007	305,280	16,813	8,406	(45,259)	521,841
Increase for the year	—	11	—	—	(17,081)	(17,070)
Decrease for the year	—	—	—	—	—	—
As at 31st December, 2004	<u>245,007</u>	<u>305,291</u>	<u>16,813</u>	<u>8,406</u>	<u>(62,340)</u>	<u>504,771</u>

**(2) In accordance with the HK GAAP**

*Unit: RMB'000*

Items	Share Capital	Share premium	Capital Surplus	Statutory Surplus Reserve	Included: Statutory Public Welfare Fund	Accumulated losses	Shareholders' equity
As at 1st January, 2004	245,007	293,745	10,225	8,717	8,561	(36,529)	529,726
Increase for the year	—	—	—	—	—	(17,586)	(17,586)
Decrease for the year	—	—	—	575	—	(575)	—
As at 31st December, 2004	<u>245,007</u>	<u>293,745</u>	<u>10,225</u>	<u>9,292</u>	<u>8,561</u>	<u>(54,690)</u>	<u>512,140</u>