

Chapter XII Supplementary Information

- (1) The difference in the accounts for the year ended 31st December 2005 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 RMB'000	Return on equity (%)		Earnings per share (RMB)	
		Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from principal activities	689,338	25.93	26.47	1.14	1.14
Operating profit	158,279	5.95	6.08	0.26	0.26
Net profit	136,242	5.13	5.23	0.23	0.23
Net profit after extraordinary items	119,140	4.48	4.57	0.20	0.20

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 formulae 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.



Chapter XII Supplementary Information

(3) Breakdown of assets impairments as at 31st December 2005

In RMB

Item	31st December 2004		Newly acquired subsidiaries		Addition		Reversal due to the recovery of the assets value		Written off		31st December 2005	
	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company	Group	Company
1. Bad debt provision, total	177,950,115	36,832,886	-	-	56,048,955	23,257,742	14,558,570	-	5,241,521	-	214,198,979	60,090,628
Including: Accounts receivable	154,092,189	36,562,886	-	-	47,729,571	22,379,560	817,421	-	5,118,040	-	195,886,299	58,942,446
Other receivables	23,857,926	270,000	-	-	8,319,384	878,182	13,741,149	-	123,481	-	18,312,680	1,148,182
2. Provision for short-term investment, total	-	-	-	-	-	-	-	-	-	-	-	-
Including: Trading securities	-	-	-	-	-	-	-	-	-	-	-	-
Debt investment	-	-	-	-	-	-	-	-	-	-	-	-
Fund investment	-	-	-	-	-	-	-	-	-	-	-	-
3. Provision for inventory, total	30,765,791	10,058,851	-	-	10,528,983	1,731,102	209,070	-	5,673,743	185,910	35,411,961	11,604,043
Including: Finished goods	21,062,080	10,058,851	-	-	1,293,075	-	209,070	-	2,576,399	185,910	19,569,686	9,872,941
Work in progress	5,161,985	-	-	-	1,891,616	-	-	-	2,678,060	-	4,375,541	-
Raw material	4,541,726	-	-	-	7,344,292	1,731,102	-	-	419,284	-	11,466,734	1,731,102
4. Provision for long-term investments, total	1,823,255	-	-	-	5,000,000	-	-	-	500,000	-	6,323,255	-
Including: Long-term equity investment	1,823,255	-	-	-	5,000,000	-	-	-	500,000	-	6,323,255	-
Long-term debt investment	-	-	-	-	-	-	-	-	-	-	-	-
5. Provision for fixed assets, total	44,174,402	31,992,401	-	-	96,044	-	-	-	850,784	258,708	43,419,662	31,733,693
Including: Buildings	1,494,350	-	-	-	-	-	-	-	-	-	1,494,350	-
Equipments	42,669,260	31,992,401	-	-	96,044	-	-	-	850,784	258,708	41,914,520	31,733,693
Conveyance	10,792	-	-	-	-	-	-	-	-	-	10,792	-
6. Provision for intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Including: Patent	-	-	-	-	-	-	-	-	-	-	-	-
Trademark	-	-	-	-	-	-	-	-	-	-	-	-
7. Provision for CIP	-	-	-	-	-	-	-	-	-	-	-	-
8. Provision for consignment loans	-	-	-	-	-	-	-	-	-	-	-	-

Person in charge of the corporation Ye Maoxin

Person in charge of accounting function: Yao Yuming

Person in charge of accounting department: Mao Faqing

(4) 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 or more than 10% (including 10%) of the current period's profit. Refer to Chapter VII, Section 1.3 in this report.