

Financial and Business Summary

1. Major financial data and financial indicators

(1) Major financial data (Prepared in accordance with the PRC Accounting Rules and Regulations): (for the year ended 31 December)

	2005 RMB'000	2004 RMB'000	Increase/ (decrease) over the previous year (%)	2003 RMB'000
Income from principal operations	1,031,859	1,133,886	(9.00)	978,846
Total profit	3,488	57,332	(93.92)	(340,218)
Net profit / (loss)	4,953	46,102	(89.26)	(342,513)
Net (loss)/profit after non-recurring items	(87,254)	33,323	(361.84)	(338,274)
Cash flow from operating activities	153,464	154,457	(0.64)	120,242

	2005 RMB'000	2004 RMB'000	Increase/ (decrease) at end of 2005 over end of 2004 (%)	2003 RMB'000
Total assets	2,598,919	2,184,140	18.99	2,323,655
Shareholders' funds (excluding minority interests)	951,080	935,562	1.66	875,920

(2) Major financial indicators (Prepared in accordance with the PRC Accounting Rules and Regulations): (for the year ended 31 December)

	2005 RMB'000	2004 RMB'000	Increase/ (derecrease) over the previous year (%)	2003 RMB'000
Profit / (loss) per share (Yuan)	0.01	0.07	(85.71)	(0.49)
Profit / (loss) return on net assets (%)	0.52	4.93	(89.45)	(39.10)
Profit / (loss) return on net assets on basis of net profit after non-recurring items (%)	(9.17)	3.56	(357.58)	(38.62)
Cash flow from operating activities per share (Yuan)	0.22	0.22	0	0.17

	At end of 2005	At end of 2004	Increase/ (derecrease) at end of 2005 over end of 2004 (%)	At end of 2003
Net assets per share (Yuan)	1.36	1.34	1.49	1.25
Adjusted net assets per share (Yuan)	0.93	0.88	1.49	0.61

Non-recurring items

	2005 RMB'000
Non-operating income	1,637
Non-operating expenses	(2,961)
Subsidy income	13,483
Designated loan interest income	600
Reversal of prior year provisions for bad debts	45,148
Reversal of prior year provisions for short term investments depreciation	34,300

Financial and Business Summary *(Continued)*

2. Major financial data and financial indicators for the three years prior to end of the reporting period of the Group

(1) Prepared in accordance with the PRC Accounting Rules and Regulations (for the year ended 31 December)

	2005 RMB'000	2004 RMB'000	Increase/ (decrease) at end of 2005 over end of 2004 (%)	2003 RMB'000
Income from principal operations	1,031,859	1,133,886	(9.00)	978,846
Total profit	3,488	57,332	(93.92)	(340,218)
Net profit/(loss)	4,953	46,102	(89.26)	(342,513)
Net (loss) / profit after non-recurring items	(87,254)	33,323	(361.84)	(338,274)
Profit / (losses) per share (diluted) (Yuan)	0.01	0.07	(85.71)	(0.49)
Profit / (losses) per share (weighted) (Yuan)	0.01	0.07	(85.71)	(0.49)
Profit / (loss) return on net assets (%)	0.52	4.93	(89.45)	(39.10)
Return on net assets on basis of				
net (loss)/profit after non-recurring items (%)	(9.17)	3.56	(357.58)	(38.62)
Weighted (loss)/profit return on net assets on				
basis of net (loss) / profit after non-recurring items (%)	(9.17)	3.56	(357.58)	(38.62)
Net cash flow from operating activities	153,464	154,457	(0.64)	120,242
Net cash flow from operating activities per share (Yuan)	0.22	0.22	0	0.17

	2005 RMB'000	2004 RMB'000	Increase/ (decrease) at end of 2005 over end of 2004 (%)	2003 RMB'000
Total assets	2,598,919	2,184,140	18.99	2,323,655
Shareholders' funds (excluding				
minority interests)	951,080	935,562	1.66	875,920
Net assets per share (diluted) (Yuan)	1.36	1.34	1.49	1.25
Adjusted net assets per share (Yuan)	0.93	0.88	5.67	0.61

(2) Return on net assets and earnings per share calculated as required by "No.9 Document of Regulations of Information Disclosure for Public Companies" issued by China Securities Regulatory Commission: (for the year ended 31 December)

2005

Profit during the reporting period

	Return on net asset(%) Fully diluted	Weighted average	Earnings per share Fully diluted	Weighted average
Profit from principal operations	9.63	9.63	0.13	0.13
Operating loss	(2.70)	(2.70)	(0.04)	(0.04)
Net loss	0.52	0.52	0.01	0.01
Net profit after non-recurring items	(9.17)	(9.17)	(0.12)	(0.12)

2004

Profit during the reporting period

	Return on net asset(%) Fully diluted	Weighted average	Earnings per share Fully diluted	Weighted average
Profit from principal operations	27.68	27.68	0.37	0.37
Operating profit	4.49	4.49	0.06	0.06
Net profit	4.93	4.93	0.07	0.07
Net profit after non-recurring items	3.56	3.56	0.05	0.05

Financial and Business Summary *(Continued)*

2. Major financial data and financial indicators for the three years prior to end of the reporting period of the Group *(continued)*

(3) Changes in shareholders' equity during the year (prepared under the PRC Accounting Rules and Regulations)

Items	Share capital <i>Share'000</i>	Capital reserve <i>RMB'000</i>	Surplus reserve <i>RMB'000</i>	Statutory public welfare fund <i>RMB'000</i>	Accumulated deficit <i>RMB'000</i>	Total shareholders' fund <i>RMB'000</i>
Balance at the beginning of the period	700,000	984,068	225,151	55,591	(973,657)	935,562
Increase during the period	—	10,586	233	78	4,953	15,772
Decrease during the period	—	—	(21)	(7)	(233)	(254)
Balance at the end of the period	700,000	994,654	225,363	55,662	(968,937)	951,080

Reason for changes:

1. An increase of RMB10,586,000 of capital reserve is the result of debt exempt and provision for equity investment.
2. An increase of RMB212,000 of surplus reserve is the result of profit distribution and sales of subsidiaries.

(4) Prepared under International Financial Reporting Standards ("IFRSs") (for the year ended 31 December)

	2005 <i>RMB'000</i>	2004 <i>RMB'000</i>	2003 <i>RMB'000</i>
Turnover	1,028,976	1,128,554	975,816
Profit / (loss) attributable to equity shareholders after taxation	9,664	61,740	(340,021)
Total assets	2,515,297	2,097,603	2,234,918
Total equity attributable to equity shareholders of the Company	862,366	851,216	789,476
Profit / (loss) per share (basic and diluted)	0.01	0.09	(0.486)
Net assets per share	1.23	1.22	1.13
Net asset return / (loss) on net assets (%)	1.12	7.25	(43.07)

Note: The profits and other financial indicators are calculated based on the number of shares of 700,000,000.

3. Please refer to the Financial Report in this annual report for major differences between financial statements of the Group and the Company prepared under the PRC Accounting Rules and Regulations and IFRS.