

# Analysis on Items of Accounts with Movements over 30%

1. Investment income increased by RMB13,936,000 over last year. This was mainly due to the recovery of provision for impairment of short-term investments in an associated company in previous years.
2. Non-operating income decreased by 81% from the previous year. This was mainly because the income for the previous year included tax refund and disposal of retired equipment.
3. Subsidy income increased by 152% over last year, mainly resulting from the subsidy granted by the government for our environmental protection and treatment during the year.
4. Administrative expenses decreased by 62% from last year. During the year, the Company put more efforts in repayment of receivables and recovered several receivables due from Taiyang Company, which has written back the provision for bad debts in previous years. Meanwhile, the expenses was under reasonable control.
5. Accounts receivable increased by 62% from last year, mainly due to the increased credit for customers as result of the relaxes in the glass market.
6. Prepayment increasd by 49% from last year, mainly due to the deposit in advance for equipment in preparing the construction of new subsidiaries.
7. Construction in progress increased by 89498% from the previous year. The Company established two subsidiaries in 2005, but the complete fixed assets have not been budgeted.
8. Bills receivable increased by 1399% over last year, mainly resulting from the Group's expanded bank acceptance business.
9. Other receivables increased by 155% over last year, mainly due to the increased arrearage as a result of newly invested two subsidiaries.