

Financial Highlights



The table below sets out the financial highlights for the six months ended 30 June 2006 and the comparative figures for the same period in 2005:

	For the six months ended 30 June	
	2006	2005
	(unaudited)	(unaudited)
	(RMB in thousands)	
Revenue	2,703,484	1,886,360
Gross profit	500,053	315,555
Loss from share conversion of a subsidiary	202,624 ⁽¹⁾	0
Loss from share conversion of an associate	11,210 ⁽²⁾	0
Profit after taxation	61,976 ⁽³⁾	110,849
Profit attributable to equity holders of the Company	(2,277) ⁽⁴⁾	86,347
Distributions to equity holders of the Company	80,382	135,637 ⁽⁵⁾
Earnings per share - basic (RMB) ⁽⁶⁾	(0.001) ⁽⁷⁾	0.062

Notes:

- (1) Represents the loss incurred from the consideration offered by the Company for the share conversion of BNBK.
- (2) Represents the loss incurred from the consideration offered by China Composites for the share conversion of Yaohua.
- (3) If the losses from the share conversion of BNBK and Yaohua have not been taken into account, the Company's profit after taxation would be RMB258,579 thousand.
- (4) If the losses from share conversion of BNBK and Yaohua have not been taken into account, profit attributable to equity holders of the Company would be RMB193,008 thousand.
- (5) Pursuant to the "Provisional Regulation relating to Corporate Restructuring of Enterprises and Related Management of State-owned Capital and Financial Treatment" which was issued by the PRC Ministry of Finance and became effective from 27 August 2002, the Company's profit for the period from 1 October 2004 (being the first date after the effective date of the Restructuring) March 2005 (being the date immediately prior to the date of the Company's conversion into a joint stock company) belongs to the then shareholders of the Company. A dividend of RMB135,637,000 was declared to the then shareholders of the Company on 28 March 2005.
- (6) The calculations of basic earnings per share are based on the profit attributable to equity holders of the Company for each period and on the weighted average number of 1,387,451,160 shares for the six months ended 30 June 2005 and 1,769,406,077 shares for the six months ended 30 June 2006.
- (7) If the losses from the share conversion of BNBK and Yaohua have not been taken into account, the Company's basic earnings per share would be RMB0.11.

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	As at 30 June 2006 (unaudited)	As at 31 December 2005 (audited) (RMB in thousands)
Total assets	13,443,901	9,712,499
Total liabilities	8,109,096	6,285,566
Net assets	5,334,805	3,426,933
Minority interests	1,461,807	1,314,695
Equity attributable to equity holders of the Company	3,872,998	2,112,238
Net assets per share - weighted average (RMB) ⁽¹⁾	2.19	1.52
Debt to assets ratio ⁽²⁾	38.8%	43.6%
Net debt / equity ratio ⁽³⁾	65.8%	96.4%

Notes:

- (1) The calculations of weighted average net assets per share are based on the equity attributable to equity holders of the Company for each period and on the weighted average number of 1,387,606,849 shares for the year ended 31 December 2005 and 1,769,406,077 shares for the six months ended 30 June 2006.
- (2) Debt-to-asset ratio = total borrowings / total assets x 100%
- (3) Net debt ratio = (total borrowings - bank balances and cash) / (minority interests + equity attributable to equity holders of the Company) x 100%