

SUMMARY OF ACCOUNTING AND OPERATIONAL FIGURES

(I) MAJOR ACCOUNTING FIGURES OF THE COMPANY FOR THE REPORTING PERIOD

Unit: Rmb

Item	Amount
Total profit	-87,257,826.20
Net profit	-87,894,795.85
Net profit after extraordinary items	-93,878,476.30
Profit from principal operations	198,622,132.83
Other operating profit	5,594,388.15
Operating profit	-88,130,039.66
Investment gains	-3,913,657.00
Income from subsidies	0
Net non-operating expenses	4,785,870.46
Net cash flow from operating equivalents	35,321,461.11
Net decrease in cash and cash equivalents	-24,757,857.60

(II) DEDUCTING EXTRAORDINARY ITEMS AND AMOUNT

Unit: Rmb

Extraordinary items	Amount
Profit (loss) from disposal of long-term equity Investments, fixed assets, construction in progress, intangible assets and other long-term assets	1,042,396.06
Other non-operating income and expenditures after deduction of provision of impairment in assets usually made according to the accounting system for business enterprises	246,807.51
Reversal of provision for impairment for previous years	5,230,386.04
Other extraordinary items	-342,528.62
Impact from income tax	-193,380.54
Total	5,983,680.45

(III) MAJOR ACCOUNTING FIGURES AND FINANCIAL INDICES FOR THE PAST THREE YEARS

Unit: Rmb

Major accounting Figures	2006	2005	Increase/ decrease in 2006 as compared with 2005 (%)	2004
Profit from principal operations	961,584,242.44	995,386,645.38	-3.40	1,121,219,426.19
Total profit	-87,257,826.20	61,509,113.95	-241.86	118,507,506.15
Net profit	-87,894,795.85	48,790,356.05	-280.15	95,903,999.16
Net profit after extraordinary items	-93,878,476.30	33,402,213.97	-381.05	94,312,189.58
Earnings per share	-0.21	0.12	-275.00	0.23
Latest earning per share				
Return on net assets (%)	-7.54	3.81	Decrease 11.35 percentage points	7.58
Return on net assets after extraordinary items (%)	-8.06	2.61	Decrease 10.67 percentage points	7.36
Return on net assets after extraordinary items (Weighted average) (%)	-7.65	2.64	Decrease 10.29 percentage points	7.57
Net cash flow from operating activities	35,321,461.11	-31,354,369.58	212.65	40,321,639.30
Net cash flow per share from operating activities	0.08	-0.07	214.29	0.10



SUMMARY OF ACCOUNTING AND OPERATIONAL FIGURES

(III) MAJOR ACCOUNTING FIGURES AND FINANCIAL INDICES FOR THE PAST THREE YEARS (Continued)

	End of 2006	End of 2005	Increase/ decrease as compared the previous period (%)	End of 2004
Total assets	2,132,913,615.40	2,127,384,112.13	0.26	2,019,421,955.06
Equity interests of shareholders (exclusive of minority interests)	1,165,310,630.15	1,280,500,032.83	-9.00	1,265,422,331.87
Net asset per share	2.76	3.03	-8.91	3.00
Net asset per share after adjustment	2.72	2.98	-8.72	2.96

(IV) CHANGES AND REASONS OF CHANGES IN SHAREHOLDERS' INTERESTS DURING THE REPORTING PERIOD

Unit: Rmb

Item	Share capital	Capital reserves	Surplus reserves	Others	Undistributed profit	Total shareholders' interests
Opening	422,000,000.00	520,864,095.43	197,666,214.93	60,333.38	139,909,389.09	1,280,500,032.83
Increase in the period		2,156,175.63		89,217.54	-87,894,795.85	-85,649,402.68
Decrease in the period					29,540,000.00	29,540,000.00
Closing	422,000,000.00	523,020,271.06	197,666,214.93	149,550.92	22,474,593.27	1,165,310,630.15

(V) DIFFERENCES BETWEEN THE PRC AND INTERNATIONAL ACCOUNTING STANDARDS

Unit: Rmb'000

Item	Net profit		Shareholders' equity	
	This period	Previous period	Opening	Closing
As reported under the PRC accounting standards	-87,895	48,790	1,280,500	1,165,311
Adjusted under HK GAAP:				
Difference in valuation of net assets contributed to the Company by Beiren Group Corporation	—		-60,198	-60,198
Subsequent amortization on net assets contributed by Beiren Group Corporation	66	66	48,211	48,277
Difference in valuation of assets contribution to subsidiaries	31	31	-290	-259
Differences in valuation of other assets and consequential adjustment	—	6,374	-6,374	—
Differences in recognition of deferred tax assets/ liabilities	-15,122	62	19,684	4,562
Difference in recognition of good will upon acquisition of subsidiaries	—	—	4,479	4,479
Difference in amortization of good will upon acquisition of subsidiaries	—	—	-1,344	-1,344
Difference in the un-payable liabilities recognition	2,005	—	—	—
Difference of staff dismissed recognition	-17,012	—	—	-17,012
Difference in interests presentation of minority interests	-749	4,032	51,029	50,280
Other	-1,867	2,230	726	-1,142
Prepared under HK GAAP	-120,543	61,585	1,342,297	1,192,954



SUMMARY OF ACCOUNTING AND OPERATIONAL FIGURES

(V) DIFFERENCES BETWEEN THE PRC AND INTERNATIONAL ACCOUNTING STANDARDS *(Continued)*

Notes:

During the year, the impact of differences between the PRC and international accounting standards on the net profits of the Company was Rmb32,755,000, the difference was mainly due to the following:

1. Consequential adjustment on net assets contributed by Beiren Group Corporation

In accordance with HK GAAP, the land contributed by Beiren Group Corporation into the Company was accounted for as capital reserve. In accordance with PRC accounting standards, the amount was recorded as the increase in long term deferred expenses. Accordingly, the related amortization charge of approximately Rmb66,000 for the year was written back in the accounts by the Company.

2. Difference in valuation of capital contribution to subsidiaries

In accordance with HK GAAP, the intangible assets invested by the Company into the subsidiaries with original cost of Rmb4,624,000 were wrote off in relevant years. In accordance with PRC accounting standards, the intangible assets were stated as assets of the Group. Accordingly, the related amount of amortization of Rmb31,000 for the year was written back in the accounts by the Company.

3. Differences on recognition of deferred tax assets

Adjustment was made to the deferred taxation in relation to the amount of income tax arising from international and domestic accounting standards under the Article 12 (revised) of HK GAAP, which resulted in net profit difference amounted to Rmb15,122.

4. Difference on the un-payable liabilities recognition

In accordance with the HK GAAP, the un-payable liabilities of the Company will be booked into the net profit of the period as profit while such liabilities will increase the capital reserve fund under the PRC accounting standards, resulting from which the differences in net profit was Rmb2,005,000.

5. Difference on compensation recognition for dismissal of employees

In accordance with the HK GAAP, the compensation payable by Company to the employees dismissed for the future years is regarded as expenses for this period while such compensation is booked as expenses when it is paid under the PRC accounting standards, resulting from which the differences in net profit was Rmb17,012,000.