Stock Code: 000025, 200025 Short Form of the Stock: G Tellus-A, Tellus-B No.: 2006-026

SHENZHEN TELLUS HOLDING CO., LTD.

SUMMARY OF INTERIM REPORT 2006

§1. Important Notice

1.1 The Board of Directors, the Supervisory Committee, directors, supervisors and senior executives of the Shenzhen Tellus Holding Co., Ltd. (hereinafter referred to as the Company) individually and collectively accept responsibility for the correctness, accuracy and completeness of the contents of this report and confirm that there are no material omissions nor errors which would render any statement misleading. The summary of interim report 2006 is abstracted from full text of the interim report, which is published on the Internet website http://www.cninfo.com.cn in the mean time. The investors are suggested to read the full text of interim report to understand more details.

1.2 None of directors, supervisors and senior executives stated that he/she couldn't ensure the correctness, accuracy and completeness of the contents of the Interim Report or had any objection for this report.

1.3 All directors of the Company attended the Board meeting.

1.4 The interim financial report 2006 of the Company has not been audited.

1.5 Person in charge of the Company Mr. Zhang Ruili, person in charge of the accounting Mr. Fu Bin and person in charge of accounting organ Mr. Yang Jianhui hereby confirm that the Financial Report enclosed in this Interim Report is true and complete.

1.6 This semi-annual report was prepared in both Chinese and English. Should there be any difference in interpretation of the two versions, the Chinese version shall prevail.

§2. Company Profile

2.1 Basic information

Short form of the stock	G Tellus-A, Tellus-B	
Stock code	000025, 200025	
Listed stock exchange	Shenzhen Stock Exchange	
	Secretary of the Board of Directors	**Securities Affairs Representative**
Name	Ren Yongjian	Yang Jianhui
Contact address	15/F, Zhonghe Building, Shennan Middle Road, Shenzhen	15/F, Zhonghe Building, Shennan Middle Road, Shenzhen
Telephone	(86) 755-83989338	(86) 755-83989363
Fax	(86) 755-83989399	(86) 755-83989399
E-mail	szryj@tom.com	ndbridge@163.com

2.2 Major financial data and indexes

2.2.1 Major accounting data and financial indexes

Items	At the end of this report period	At the end of the last year	Increase/decrease at the end of this report period compared with the end of the last year（%）
Current assets	337,673,010.21	305,954,085.97	10.37%
Current liabilities	588,140,702.82	572,098,655.52	2.80%
Total assets	877,685,457.62	859,358,659.13	2.13%
Shareholders' equity (excluding minority interest)	227,404,241.33	225,872,478.83	0.68%
Net assets per share	1.032	1.025	0.68%
Net assets per share after adjustment	0.90	0.89	1.12%
Items	**In this report period (Jan. to Jun. 2006)**	**At the same period of the last year**	**Increase/decrease in this report period compared with the same period of the last year (%)**
Net profit	1,084,331.86	409,587.98	164.74%
Net profit after deducting non-recurring gains and losses	-4,773,424.45	1,843,429.54	-358.94%
Earnings per share	0.005	0.002	150.00%
Earnings per share (note)	0.01	-	-
Return on equity (%)	0.48%	0.19%	0.29%
Net cash flow arising from operating activities	-20,752,644.11	99,757,526.57	-120.80%

Note: Earnings per share was calculated based on new share capital if the Company's share capital from the end of report period to disclosure date of this report had been changed.

2.2.2 Items of non-recurring gains and losses

√ Applicable ☐Inapplicable

Unit: RMB

Items of non-recurring gains and losses	Amount
Non-operating income	8,384,430.99
Non-operating expenses	2,526,674.68
Total	5,857,756.31

2.2.3 Difference between CAS and IAS

☐Applicable √ Inapplicable

§3. Changes in Share Capital and Particulars about Shares held by Main Shareholders

3.1 Statement of change in shares

√ Applicable ☐Inapplicable

Unit: share

Type of shares	Before the change		Increase/decrease in this time (+, -)					After the change	
	Number of shares	Proportion (%)	Issuance of new shares	Bonus shares	Capitalization of public reserve	Other	Subtotal	Number of shares	Proportion (%)
I. Shares with conditional sales	159,588,000	72.45%	0	-13,717,440	0	0	-13,717,440	145,870,560	66.22%
1. Shares held by the State	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state-owned legal person	159,588,000	72.45%	0	-13,717,440	0	0	-13,717,440	145,870,560	66.22%
3. Shares held by other domestic investors	0	0.00%	0	0	0	0	0	0	0.00%
Including: Shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	0	0.00%	0	0	0	0	0	0	0.00%
4. Shares held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Including: Shares held by foreign legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by foreign natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without conditional sales	60,693,600	27.55%	0	13,717,440	0	0	13,717,440	74,411,040	33.78%
1. RMB ordinary shares	34,293,600	15.57%	0	13,717,440	0	0	13,717,440	48,011,040	21.80%
2. Domestically listed foreign shares	26,400,000	11.98%	0	0	0	0	0	26,400,000	11.98%
3. Overseas listed foreign shares	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total shares	220,281,600	100.00%	0	0	0	0	0	220,281,600	100.00%

Number of shares held by the top ten shareholders with conditional sales and conditional sales

Unit: share

No.	Name of shareholders with conditional sales	Number of holding shares with conditional sales	Date of listing for trade	Number of additional shares could list for trade	Conditional sales
1	Shenzhen SDG Co., Ltd.	145,870,560	Jan. 4, 2009	145,870,560	Within 36 months since Jan. 4, 2006 (the date that the Company implement the share merger reform plan), SDG would not list with Shenzhen Stock Exchange and sell the shares of Tellus held by it (except for the shares used to inspirit the management level of Tellus). To effectively boost the core management level and business backbones for long, SDG would take out its shares, not exceeding 10% in total number after the share merger reform, and apply them to the boost of the management level. The shares would be sold to the Company's management level over 3 years, with the selling price being the net asset value per share audited during the period nearest to the implementation.
2	JIANG QIN JIAN	12,600	Dec. 17, 2006	12,600	Shares could be list for trade after six months when senior executive left his post.
3	HU XIAO MEI	700	Dec. 17, 2006	700	Shares could be list for trade after six months when senior executive left her post.

3.2 Particulars about shares held by the top ten shareholders and the top ten shareholders without conditional sales

Unit: share

Total shareholders at the end of report period			16,585		
Particulars about shares held by the top ten shareholders					
Name of Shareholder	**Nature of shareholders**	**Proportion (%)**	**Total number of shares held**	**Number of shares with conditional sales held**	**Share pledged or frozen**
Shenzhen SDG Co., Ltd.	State shareholder	66.22%	145,870,560	145,870,560	0

WANG KE	Foreign shareholder	0.15%	331,800	0	
HU GUANG HUA	Foreign shareholder	0.13%	288,586	0	
MEI ZHENG SHUI	Foreign shareholder	0.13%	281,400	0	
HE XING	Foreign shareholder	0.12%	261,316	0	
SUN XIAO WEI	Foreign shareholder	0.12%	254,000	0	
LV RUI HUI	Foreign shareholder	0.11%	242,000	0	
YE FEI	Foreign shareholder	0.11%	237,000	0	
ZHOGN YAO XIANG	Foreign shareholder	0.10%	226,720	0	
CAI XIAO LING	Foreign shareholder	0.10%	213,640		

Particulars about shares held by the top ten shareholders without conditional sales

Shareholders' name	**Number of holding shares without conditional sales**	**Natural of share**
WANG KE	331,800	RMB ordinary shares
HU GUANG HUA	288,586	Domestically listed foreign shares
MEI ZHENG SHUI	281,400	RMB ordinary shares
HE XING	261,316	Domestically listed foreign shares
SUN XIAO WEI	254,000	RMB ordinary shares
LV RUI HUI	242,000	Domestically listed foreign shares
YE FEI	237,000	RMB ordinary shares
ZHONG YAO XIANG	226,720	Domestically listed foreign shares
CAI XIAO LING	213,640	RMB ordinary shares
YANG WU	213,500	RMB ordinary shares
Explanation on associated relationship among the top ten shareholders or acting-in-concert	The Company was unknown whether there is any associated relationship among the top ten shareholders of tradable share; or whether there is any action-in-concert among them as described by the Administrative Rules on Information Disclosure about Changing of Shareholding Status.	

3.3 Particulars about change in controlling shareholder and actual controller of the Company

☐Applicable √ Inapplicable

§4. Particulars about Directors, Supervisors and Senior Executives

4.1 Particulars about changes in shares held by directors, supervisors and senior executives

√ Applicable ☐Inapplicable

Name	Office title	Shares held at the year-begin	Shares held at the end of this report period	Reason for change
Jiang Qinjian	Ex-director	9,000.00	12,600.00	Obtaining shares in the course of the share merger reform
Hu Xiaomei	Ex-supervisor	500.00	700.00	Obtaining shares in the course of the share merger reform

§5. Discussion and Analysis of the Management

5.1 Main operations classified according to industries or products

Unit: RMB'0000

Main operations classified according to industries						
Industries	Income from main operations	Cost of main operations	Profit ratio of main operations	Increase or decrease of income from main operations compared with the last year (%)	Increase or decrease of cost from main operations compared with the last year (%)	Increase or decrease of profit ratio of main operations compared with the last year (%)
Other social service	3,058.15	2,416.40	20.31%	-14.87%	-13.37%	-2.71%
Other wholesale and retail trade	50,844.83	48,880.57	3.84%	14.30%	15.08%	-2.71%
Lease service	3,907.34	1,692.74	52.42%	22.57%	28.48%	-2.10%
Other real estates	43.85	12.48	66.34%	-97.57%	-98.77%	29.37%
Main operations classified according to products						
Automobile examination and maintenance	3,058.15	2,416.40	20.31%	-14.87%	-13.37%	-2.71%
Automobile trade	50,844.83	48,880.57	3.84%	14.30%	15.08%	-2.71%
Lease service	3,907.34	1,692.74	52.42%	22.57%	28.48%	-2.10%
Real estates	43.85	12.48	66.34%	-97.57%	-98.77%	29.37%

5.2 Main operations classified according to region

Unit: RMB'0000

Region	Income from main operations	Increase/decrease of income from main operations over the same period of the last year (%)
Shenzhen	57,854.18	9.02%

5.3 Other operations activities having significant influence on net profit

☐Applicable √ Inapplicable

5.4 Operation of share-holding companies

√ Applicable ☐Inapplicable

Unit: RMB'0000

Name of shareholding company		Shenzhen Renfu Tellus Automobile Service Co., Ltd.		
Investment earnings contributed in the period		142.80	Proportion in net profit of the listed company	131.69%
Shareholding company	Business scope	Automobile maintenance, automobile show, sales of automobile fittings and accessory, automobile technology consultation, and sales of automobile		
	Net profit	408.00		

5.5 Reasons of significant changes in main operations and its structure compared with the last year

□Applicable √ Inapplicable

5.6 Reasons of significant changes in profitability capability of main operations (gross profit ratio) than that in the last year

□Applicable √ Inapplicable

5.7 Analysis to reasons of significant changes in profit breakdown compared with the previous year

□Applicable √ Inapplicable

5.8 Utilization of the raised proceeds

5.8.1 Utilization of the raised proceeds

□Applicable √ Inapplicable

5.8.2 Change of projects

□Applicable √ Inapplicable

5.9 Revised business plan of the Board for the second half of 2006

□Applicable √ Inapplicable

5.10 Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its significant change compared with the corresponding period of the last year and explanation on reason

□Applicable √ Inapplicable

5.11 Explanation of the Management Team on "Qualified Opinion" from the Certified Public Accountants in the report period

□Applicable √ Inapplicable

5.12 Explanation of the Management Team on changes and solutions of the issues involved in "Qualified Opinion" from the Certified Public Accountants in the last year

□Applicable √ Inapplicable

§6. Important Events

6.1 Purchase, sales and reorganization of assets

6.1.1 Purchase of assets or assets bought-in

□Applicable √ Inapplicable

6.1.2 Sales of assets or assets sold

√ Applicable □Inapplicable

Unit: RMB'0000

the other party of the transaction	Assets sold	Selling day	Transaction price	Net profit contributed to the Listed Company by the sold assets during the period from	Gains and losses arising out of this	Related transaction or not	Explanation on the pricing principles	Ownership of the involved assets fully	Credits and liabilities of the involved assets fully

				the beginning of the year to the selling day	transaction			transferred or not	transferred or not
Qin Kebo	Fuyiyaju stores A-B103 and 203	May 18, 2006	1,660.00	-0.40	213.00	No	Assessment	No	No

6.1.3 Progress of these events after the publication of the Assets Reorganization Report or public notices on the purchases or sales of assets, as well as the influences of these events on the operation results and financial status of the Company in the report period

□Applicable √Inapplicable

6.2 Guarantee events

√Applicable □Inapplicable

Unit: RMB'0000

External guarantees of the Company (excluding guarantees for shareholding subsidiaries)						
Name of companies guaranteed	**Date of occurrence (agreement signing day)**	**Guarantee amount**	**Guarantee type**	**Guarantee term**	**Accomplished or not**	**For related parties or not (yes or no)**
Shenzhen Auto Industry Import & Export Company	Mar. 30, 2006	800.00	Credit	1 year	No	Yes
Shenzhen Auto Industry Import & Export Company	Jan. 26, 2006	1000.00	Credit	1 year	No	Yes
Shenzhen Auto Industry Import & Export Company	Jul. 6, 2005	1000.00	Credit	1 year	No	Yes
Shenzhen Auto Industry Import & Export Company		1614.00	Line of credit	1 year	No	Yes
Total guarantee amount occurred in the report period				1800.00		
Total guarantee balance at the end of the report period (A)				4,337.83		
Guarantees for shareholding subsidiaries by the Company						
Total guarantee amount occurred in the report period for shareholding subsidiaries				311.60		
Total guarantee balance at the end of the report period for shareholding subsidiaries (B)				3,004.00		
Total guarantee amount of the Company (including guarantees for shareholding subsidiaries)						
Total guarantee amount (A+B)				7,341.83		
Proportion of the Company's net assets taken by the total guarantee amount				32.29%		
Including:						
Guarantee amount for shareholders, the actual controller and their related parties (C)				0.00		
Guarantee amount for the debts of the guaranteed companies with an asset-liability ratio of over 70 percent, directly or indirectly (D)				4,337.83		
The amount by which the total guarantee amount exceeded 50 percent of the net assets (E)				0.00		

Total amount of aforesaid three types of guarantees *(C+D+E)	4,337.83

6.3 Related credits and liabilities current

√ Applicable ☐Inapplicable

Unit: RMB'0000

Name of related party	Relationship with the Listed Company	Capital provided to related parties by the Listed Company		Capital provided to the Listed Company by related parties	
		Amount	Balance	Amount	Balance
Shenzhen SDG Co., Ltd	Controlling shareholder	0.00	0.00	-540.48	4,511.52
Shenzhen SDG Swan Industrial Company	A legal person controlled by the controlling shareholder and the actual controller	-10.36	0.00	0.00	0.00
Shenzhen SDG Development Center Construction Supervision Co., Ltd	A legal person controlled by the controlling shareholder and the actual controller	0.00	0.00	325.03	1,009.55
Shenzhen Machinery Equipment Import & Export Company	A legal person controlled by the controlling shareholder and the actual controller	-9.64	0.00	0.00	0.00
Shenzhen Telongfa Industrial Co., Ltd	A legal person controlled by the controlling shareholder and the actual controller	-55.50	0.00	0.00	847.75
Shenzhen Tellus Real Estate Yueyang Company	A legal person controlled by the controlling shareholder and the actual controller	-0.13	0.00	0.00	0.00
Shenzhen Longgang Tellus Real Estate Company	A legal person controlled by the controlling shareholder and the actual controller	0.00	0.00	0.00	109.57
Shenzhen Tellus Yangchun Real Estate Company	A legal person controlled by the controlling shareholder and the actual	0.00	0.00	3.73	44.26

	controller				
Total		-75.63	0.00	-211.72	6,522.65

The capital provided by the Listed Company to the actual controller and its subsidiaries during the report period totaled RMB -756,300, and the balance was RMB 0.00.

6.4 Significant lawsuits and arbitrations

√ Applicable ☐Inapplicable

(I) For the case of the Company failing to repay the overdue loan amounting to RMB 13 million to the Luohu Sub-Branch of Shenzhen Development Bank Co., Ltd, the Company has reached an loan transfer agreement with Shenzhen Development Bank Co., Ltd.

(II) In October 2005, the Company lodged a complaint to the People's Court of Shnzhen Luohu District, demanding that Gintian Industry (Group) Co., Ltd repay the Company RMB 4,081,830 (Including the principal RMB 3,000,000, the interest RMB 1,051,380, the litigation cost RMB 25,160 and the execution cost RMB 5,290. For the fund taken away, the Company had recorded as losses.) that had been deducted compulsively from the Company's account because of the bank loan guarantee provided for it. The court has accepted the case. Till the disclosure of this report, the court is still hearing the case.

(III) In October 2005, the Company lodged a complaint to Shenzhen Intermediate People's Court, demanding that Shenzhen Zhonghao (Group) Ltd repay the Company RMB 16.62 million, mainly including the bank interest RMB 5 million, and the bank loan RMB 11.5 million that the Company paid for Zhonghao Company's bank loans as well as the litigation cost and assessment cost RMB 120 thousand paid by the Company on its behalf (The aforesaid funds had been dealt as losses in previous years). The court has accepted the case. Till the disclosure of this report, the court is still hearing the case.

(IV) As to the case on the guarantee provided by the Company for the overdue loan totaling USD 2 million obtained by Gintian Industry (Group) Co., Ltd from Shenzhen Development Bank Co., Ltd, the Company has reached a loan transfer agreement with Shenzhen Development Bank Co., Ltd. The Company has assumed this overdue loan and will step up the debt recovery work on Gintian. Relevant notices have been published in the Apr. 28, 2006 editions of Securities Times and Ta Kung Pao.

(V) As to the case on Shenzhen Shangbu Sub-Branch of Agricultural Bank of China suing Shenzhen Petrochemical Industry (Group) Co., Ltd for the overdue loan of RMB 57.6 million with guarantee provided by the Company, the Company received the Judgment Paper from Shenzhen Intermediate People's Court on May 9, 2006, which ruled that the Company fulfill its joint liquidation responsibility for Petrochemical Company's repayment duty. The Company has lodged a complaint to Guangdong High People's Court. Relevant public notices were published in Securities Times and Ta Kung Pao on May 10, 2006.

(VI) As to the case on the Company's subsidiary Tellus Real Estate Company suing Shenzhen Jinlu Industry & Trade Company (hereinafter referred to as Jinlu Company)

on the cooperated construction contract dispute, Tellus Real Estate Company and Jinlu Company both as plaintiffs sued the Branch of the Housing Administration Bureau and 75731 Army in March 2005, demanding that the two defendants implement the cooperation contract and hand over the Liyehui Food Street property amounting to 11,845 square meters (with the value totaling approximately RMB 11,851,357) to the two plaintiffs, and that the two defend compensate the plaintiffs with RMB 5,034,664.94 for the rents receivable since the year 1998. In the meantime, Tellus Real Estate Company also signed an agreement with Jinlu Company, which stated that once the Liyehui Food Street property is recovered either by voluntary implementation or compulsory execution by the court, Tellus Real Estate Company will get a fixed share of 6,000 square meters while the remaining property will be given to Jinlu Company; that should the whole property do not total 6,000 square meters, Tellus Real Estate Company will have it all; and that the two parties will split the accounts receivable to be recovered 5:5. The court has accepted the case. Till the disclosure of this report, the court is still hearing the case. Tellus Real Estate Company has withdrawn a 50% bad debt reserve for this account receivable.

6.5 Other important events as well as analyses and explanations on their influences and solutions

Non-operating capital occupation and clearing progress

√ Applicable ☐Inapplicable

Unit: RMB’0000

Balance of non-operating capital of the Listed Company occupied by the principal shareholder and its affiliated companies		**Total amount cleared this period**	**Mode of clearing**	**Amount cleared**	**Time of clearing**
At the beginning of the period	**At the end of the period**				
75.63	0.00	75.63	Others	75.63	April 2006
Non-operating capital of the Listed Company occupied by the principal shareholder and its subsidiaries and detailed explanation on clearing		By the end of April 2006, all the non-operating capital occupied by the principal shareholder and its affiliated companies had been recovered. Relevant announcements were published in Securities Times and Ta Kung Pao on May 9, 2006.			

6.6 Special commitments made by the originally non-circulating shareholder during the Share Merger Reform and their implementation

√ Applicable ☐Inapplicable

Name of the shareholder	**Special commitments**	**Implementation of the agreement**	**Implementation of the commitments**
Shenzhen SDG Co., Ltd	No G Tellus shares held by SDG (except for the shares used as equity incentives for the management team of Tellus) will be traded and sold through listing at Shenzhen Stock Exchange within 36 months since	Still in implementation	Still in implementation

	the day the reform plan is implemented. To encourage the core management level and business elites of the Company, SDG will take no more than 10% out of its total shares after the share merger reform as equity incentive for the management team. Those shares will be sold to the management team of the Company over 3 years and the selling price will be the latest audited value of the net assets per share at the time of the implementation. Each year before the implementation of the equity incentive plan, members of the management team should hand over risk responsibility fund to the Company, i.e. 20% of the predicted selling price. Should they fail to accomplish the tasks for achievement examination set by the Board of Directors, the risk responsibility fund will be taken by the Company and not returned to the individual. Detailed rules on the restrictions and incentives plans including the subscription conditions and risk responsibility fund for the management team, etc will be drafted by the Board of the Company and then handed over to relevant department for approval. The implementation of the incentive shares will follow the relevant laws and regulations and the circulating conditions of these shares will abide by the rules set by Shenzhen Stock Exchange.		

Note: Special commitments refer to the commitments other than the statutory commitments made during the Share Merger Reform.

6.7 Explanation on the time arrangements for the share merger reform by companies that have not carried out the reform

□Applicable √ Inapplicable

Explanations by companies that have not carried out the share merger reform for failing to implement their commitments of share merger reform as planned

□Applicable √ Inapplicable

§7. Financial Report

7.1 Auditors' opinions

Financial Report	√ Un-audited	□Audited

7.2 Financial Statements

7.2.2 Income Statement

Compilation by: Shenzhen Tellus Holding Co., Ltd January – June 2006

Unit: RMB

Items	Amount of the report period	Amount of the same period last year

	Consolidation	Parent company	Consolidation	Parent company
I. Revenue from main operations	578,541,755.84	8,263,340.50	530,652,688.62	8,737,312.98
Less: cost of main operations	530,021,939.48	2,115,596.20	475,449,326.28	1,538,741.47
Taxes and surcharges on main operations	2,007,054.18	429,693.70	3,011,022.51	454,340.27
II. Profit from main operations (losses listed with “-”)	46,512,762.18	5,718,050.60	52,192,339.83	6,744,231.24
Add: profit from other operations (losses listed with “-”)	1,131,480.25		1,661,809.43	0.00
Less: operating expenses	21,962,792.92		17,703,431.83	
Management expenses	24,222,894.96	5,995,086.63	26,263,902.70	7,415,242.43
Finance expenses	4,982,726.79	3,703,093.35	3,779,768.41	3,307,895.79
III. Operating profit (losses listed with “-”)	-3,524,172.24	-3,980,129.38	6,107,046.32	-3,978,906.98
Add: investment income (losses listed with “-”)	1,012,163.86	-82,672.08	-508,117.10	3,685,482.90
Subsidy income				
Non-operating income	8,384,430.99	6,034,368.67	446,986.06	21,924.63
Less: non-operating expenses	2,526,674.68	1,120,408.20	1,880,827.62	202,352.59
IV. Total profit (losses listed with “-”)	3,345,747.93	851,159.01	4,165,087.66	-473,852.04
Less: income tax	621,472.78		932,653.84	
Minority gains and losses	1,639,943.29		2,822,845.84	
Add: unconfirmed investment losses				
V. Net profit (losses listed with “-”)	1,084,331.86	851,159.01	409,587.98	-473,852.04
Add: retained profit at the beginning of the year	-2,950,213.13	-2,950,213.13	-231,927,943.55	-231,927,943.55
Other transfer-ins	447,430.64	447,430.64	342,849.92	447,430.65
VI. Profit available for distribution	-1,418,450.63	-1,651,623.48	-231,175,505.65	-231,954,364.94
Less: statutory surplus reserves withdrawn				
Statutory welfare reserves withdrawn				
Employees’ bonus and welfare funds withdrawn				
Reserve fund withdrawn				
Enterprise development fund withdrawn				
Profit returned into investment				
VII. Profit available to be distributed to investors	-1,418,450.63	-1,651,623.48	-231,175,505.65	-231,954,364.94
Less: dividends for preference shares payable				
Discretionary surplus reserves				

withdrawn				
Dividends for ordinary shares payable				
Dividends for ordinary shares converted into share capital				
VIII. Retained profit	-1,418,450.63	-1,651,623.48	-231,175,505.65	-231,954,364.94
Supplementary materials:				
1. Income the sales or disposal of departments or invested units				
2. Losses arising out of natural disasters				
3. Increase (or decrease) of the total profit due to changes of the accounting policies				
4. Increase (or decrease) of the total profit due to changes of the accounting estimations				
5. Losses arising from debt reorganization				
6. Others				

Legal Representative: Zhang Ruili
Chief of accounting organs: Fu Bin
Person in charge of accounting organs: Yang Jianhui

7.3 Notes to the Statements

7.3.1 Should there be any changes in accounting policies or accounting estimation or correction of accounting errors, give the relevant content, reasons and amounts influenced.

☐Applicable √ Inapplicable

7.3.2 Should there be any significant changes in the consolidation scope of the financial statements, give the reasons and the amounts influenced.

☐Applicable √ Inapplicable

7.3.3 Should the auditors have expressed qualified opinions, give relevant notes to the issues involved.

Board of Directors of
Shenzhen Tellus Holding Co., Ltd
Signature of Chairman of the Board:
Aug. 2, 2006