深圳市特力（集团）股份有限公司

SHENZHEN TELLUS HOLDING CO., LTD.

Semi-Annual Report 2007

August 15, 2007

Contents

Section I. Important Notice

Important notice: Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of ShenZhen Tellus Holding Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

There are 9 members in board of directors of the Company, of which 5 attended the meeting. Chairman of the Company Zhang Ruili, Director Cheng Peng went on business due to work but entrusted Director Fu Bin to attend the meeting and exercised voting rights; Director Luo Tao went on business due to work but entrusted Director Chen Baojie to attend the meeting and exercised voting rights; Independent Director Shi Weihong went on business due to work but entrusted Independent Director Zhou Chengxin to attend the meeting and exercised voting rights.

Chairman of the Board of the Company Mr. Zhang Ruili, General Manager Mr. Cheng Peng, Chief Financial Officer Mr. Fu Bin and Manager of Financial Department Mr. Yang Jianhui hereby confirm that the Financial Report enclosed in the Semi-Annual Report is true and complete.

The Semi-Annual Financial Report of the Company has not been audited.

Section I. Company Profile

1. Legal Name of the Company in Chinese: 深圳市特力（集团）股份有限公司
Legal Name of the Company in English: ShenZhen Tellus Holding Co., Ltd.
Abbr. in English: Tellus

2. Legal Representative: Zhang Ruili

3. Secretary of the Board of Directors: Ren Yongjian
Contact Address: ShenZhen Tellus Holding Co., Ltd.
Contact Tel: (86) 755-83989338
Fax: (86) 755-83989399
E-mail: ryj@tellus.cn
Securities Affairs Representative: Yang Jianhui
Contact Address: Plan and Financial Dept. of ShenZhen Tellus Holding Co., Ltd.
Contact Tel: (86)755-83989363
Fax: (86)755-83989399
E-mail: yjh@tellus.cn

4. Registered Address: the 3/F, Tellus Building, Shui Bei Er Road, Luohu District,

Shenzhen
Office Address: the 15/F, Zhonghe Building, Shennan Middle Road, Futian District, Shenzhen
Post Code: 518031
Web site of the Company: www.tellus.cn
E-mail: sztljtgf@public.szptt.net.cn

5. Newspapers Chosen by the Company for Disclosing the Information:
Domestic: Securities Times (Shenzhen) , Overseas: Hong Kong Wen Wei Po
Website Designated by CSRC for Publishing the Interim Report of the Company: http://www.cninfo.com.cn
The Place Where the Interim Report is Prepared and Placed: 15/F, Zhonghe Building, Shennan Middle Road, Shenzhen

6. Stock Exchange Listed with: Shenzhen Stock Exchange
Short Form of the Stock and Stock Code: Tellus-A (000025) Tellus-B (200025)

II. Major financial data and indexes
1. Major un-audited accounting data and business highlights in the first half year of 2007:

Unit: RMB

Items	At the end of this report period	At the period-end of last year		Increase/decrease at the end of this report period compared with the year-begin(%)	
		Before adjustment	After adjustment	Before adjustment	After adjustment
Total assets	857,969,975.78	830,866,309.81	833,461433.12	3.26	2.94
Owners' equity(Shareholders' equity)	148,350,102.67	134,859,194.63	137,483,659.95	10.00	7.90
Net assets per share	0.673	0.612	0.624	9.97	7.85
Items	In this report period (Jan. to Jun.)	The same period of last year		Increase/decrease in this report period year-on-year (%)	
		Before adjustment	After adjustment	Before adjustment	After adjustment
Operating profit	-288,526.50	-2,512,008.38	-2,477,812.38	88.51	88.36

Total profit	84,658.90	3,345,747.93	4,611,485.67	-97.47	-98.16
Net profit	-890,693.79	1,084,331.86	2,350,069.60	-182.14	-137.9
Net profit after deducting non-recurring gains and losses	-4,246,965.26	-4,739,228.45	-4,739,228.45	10.39	10.39
Basic earnings per share	-0.004	0.005	0.011	-180.0	-136.36
Diluted earnings per share	-0.004	0.005	0.011	-180.0	-136.36
Return on equity	-0.60	0.48	1.03	-1.08	-1.63
Net cash flow arising from operating activities	-508,133.27	-4,152,644.11		87.76	
Net cash flow arising from per share operating activities	-0.002	-0.019		89.47	

Return on equity and earnings per share calculated according to the Reporting Regulations on the Information Disclosure of Companies Publicly Issuing Shares (No. 9) released by CSRC

Supplementary statement of profit

Items	June 2007			
	Return on equity (%)		Earnings per share (RMB/Share)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Operating profit	-0.19	-0.21	-0.001	-0.001
Net profit	-0.60	-0.65	-0.004	-0.004
Net profit after deducting non-recurring gains and losses	-2.86	-3.14	-0.019	-0.019

Items of non-recurring gains and losses	Amount (RMB)
Disposal income of financial asset available for sales held	2,983,086.07
Non-operating income	837,426.72
Non-operating expenses	464,241.32
Total	3,356,271.47

2. Difference between CAS and IAS

Unit: RMB’000

(1) As per International Accounting Standards

Items	Jan. – Jun. 2007
Turnover	489,828
Profit after tax	-891
Total shareholders’ fund	144,303
Earnings per share (RMB)	-0.004
Net assets per share (RMB)	0.655
Return on equity (%)	-0.62%
Shareholders’ equity ratio (%)	16.82%

(2) As per Chinese Accounting Standards

Items	Jan. – Jun. 2007
Turnover	489,828
Profit after tax	-891
Total assets	857,970
Total shareholders’ fund	148,350
Earnings per share (RMB)	-0.004
Net assets per share (RMB)	0.673
Return on equity (%)	-0.60%
Shareholders’ equity ratio (%)	17.29%

Section III. Changes in Share Capital and Particulars about Shares Held by Main Shareholders

I. Change in shares of the Company

In the report period, the Company’s structure of share capital was changed as follows:

Statement of Change of Share Capital

Unit: Share

	Before the change	Increase/decrease in this time (+, -)					After the change	
	Amount	New shares offering	Bonus share	Capitalization of Public reserve	Other	Sub- total	Amount	Proportion (%)
I. Restricted shares	145870560	0	0	0	0	0	145870560	66.22
1. State-owned shares	0	0	0	0	0	0	0	0
2. State-owned legal person's shares	145870560	0	0	0	0	0	145870560	66.22
3. Other domestic shares	0	0	0	0	0	0	0	0
Including: Domestic legal person's shares	0	0	0	0	0	0	0	0
Domestic natural person's shares	0	0	0	0	0	0	0	0
4. Foreign shares	0	0	0	0	0	0	0	0
Including: Foreign	0	0	0	0	0	0	0	0
legal person's shares	0	0	0	0	0	0	0	0
Foreign natural	0	0	0	0	0	0	0	0
person's shares	0	0	0	0	0	0	0	0
II. Unrestricted shares	74411040	0	0	0	0		74411040	33.78
1. RMB Ordinary share	48011040	0	0	0	0	0	48011040	21.80
2.Domestically listed foreign shares	26400000	0	0	0	0	0	26400000	11.98
3. Overseas listed foreign shares	0	0	0	0	0	0	0	0
4. Others	0	0	0	0	0		0	0
Ⅲ. Total shares	220281600	0	0	0	0	0	220281600	100

The date for the restricted shares to be listed for trade

Unit: Share

Date	The amount of additional listed shares expired the restricted period	Balance of the amount of restricted shares	Balance of the amount of unrestricted shares	Explanations
Jan.4, 2009	145,870,560	0	193,881,600	Excluding the shares used in Equity

Note: The shares in the sheet did not include B-share.

Shares held by the top ten restricted shareholders and restricted conditions

Unit: Share

No.	Name of the restricted shareholders	Amount of the restricted shares held	Date to be listed	Amount of the additional listed shares	Restricted condition
1	Shenzhen SDG Co., Ltd.	145,870,560	Jan. 4, 2009	145,870,560	Within 36 months since the date that the Company implement the equity division reform plan (Jan. 4, 2006), SDG would not list with Shenzhen Stock Exchange and sell the ST Tellus it held (except for the shares used in Equity Encouragement Mechanism to promote the administration level of ST 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-trading reform, and apply them to the boost of the administration level. The shares would be sold to the Company's administrative level over 3 years, with the selling price being the net asset value per share audited during the period nearest to the implementation.

II. Total shareholders of the Company

Total shareholders of the Company at the end of the report period: ended June 30, 2007, the Company had 12,470 shareholders in total, including 9,014 shareholders of A-share and 3,456 shareholders of B-share.

III. Particulars about shares held by the top ten shareholders at the period-end

Full Name of shareholder	Nature of shareholders	Proportion of shares held (%)	Total amount of shares held	Amount of restricted shares held	Amount of shares pledged or frozen
1. Shenzhen SDG Co., Ltd.	State-owned legal person	66．22	145,870,560	145,870,560	Naught
2. Yu Aijun (shareholder of tradable share)	Domestic natural person	0.50	1,106,400	0	Unknown
3.Yang Rongyi (shareholder of tradable share)	Foreign natural person	0.43	940,600	0	Unknown
4.KGI ASIA LIMITED (shareholder of tradable share)	Foreign natural person	0.42	929,500	0	Unknown

5. Chen Weiyu (shareholder of tradable share)	Domestic natural person	0.37	812,400	0	Unknown
6. Yan Minghu (shareholder of tradable share)	Domestic natural person	0.36	790,820	0	Unknown
7. Wang Lizheng (shareholder of tradable share)	Domestic natural person	0.33	729,585	0	Unknown
8. Yu Xiaoping (shareholder of tradable share)	Domestic natural person	0.32	713,630	0	Unknown
9. Jin Wenlong (shareholder of tradable share)	Foreign natural person	0.28	625,993	0	Unknown
10. Jiang Xiaowei (shareholder of tradable share)	Domestic natural person	0.20	438,660	0	Unknown

Note: Among the top ten shareholders as listed above, there exists no associated relationship among the shareholders of legal person share. The 2nd to 10th shareholders are shareholders of tradable share, which the Company is unknown whether there exists associated relationship.

IV. Particulars about shares held by the top ten shareholders of tradable share at the end of report period

Name of shareholders	**Amount of unrestricted shares hled**	**Type**
YU AI JUN	1,106,400	A-share
YANG RONG YI	940,600	B-share
KGI ASIA LIMITED	929,500	B-share
CHEN WEI YU	812,400	A-share
YAN MING HU	790,820	A-share
WANG LI ZHENG	729,585	A-share
YU XIAO PING	713,630	A-share ,B-share
JIN WEN LONG	625,993	B-share
JIANG XIAO WEI	438,660	A-share
DAI QIU YING	393,600	B-share

Note: 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.

Explanation on the appointed period of holding shares which strategic investor or general legal person participates in the allotment of new shares: naught

V. Particulars about the controlling shareholder

The controlling shareholder and actual controller of the Company remained unchanged during the report period.

Section IV. Particulars about directors, supervisors, and senior executives

I. The shares held by directors of the board, supervisors of supervision committee, and other senior executives of the Company and their changes are as follows:

Name	Title	Amount of holding shares (share)		Remark
		Period-begin	Period-end	
Yang Jianhui	Employee supervisor	0	6000	6000 (B share)

II. In the report period, there aren’t any directors, supervisors, senior executives newly engaged or dismissed.

Section V. Discussion and analysis of the management

I. Discussion and analysis of the management

1. Operating results and financial analysis

① Operating income relatively decreased

In the report period, the Company realized operating income accumulatively amounting to RMB 489,830,000, which decreased RMB 91,290,000 compared with the same period of last year’s RMB 581,120,000, the decreasing amplitude is 15.71%. The decrease in income is mainly resulted from the severe competition on auto market and the sales amount of automobile dropped down.

② The operating costs relatively decreased along with the operating income

In the report period, the Company accumulatively occurred operating costs amounting to RMB 447,390,000, which decreased RMB 84,080,000 compared with the RMB 531,470,000 of the same period last year, the decreasing amplitude is 15.82%, the cost relatively decreased along with the income.

③ Period expense relatively decreased

In the report period, the Company accumulatively occurred period expense amounting to RMB 47,180,000, which decreased RMB 3,990,000 compared with the RMB 51,170,000 of the same period last year, and the decreasing amplitude is 7.8%, including: operating expenses amounting to RMB 18,340,000 which decreased RMB 3,620,000 year-on-year; overhead expenses amounting to RMB 21,680,000 which decreased RMB 2,540,000 year-on-year; and financial expenses amounting to RMB 7,150,000 which increased RMB 2,160,000 year-on-year.

④ Profit decreased year-on-year

In the report period, the Company accumulatively realized profit amounting to RMB

80,000, which decreased RMB 4,530,000 compared with the RMB 4,610,000 of the same period last year; accumulatively realized net profit amounting to RMB -890,000, which decreased RMB 3,240,000 compared with RMB 2,350,000 of the same period last year.

2. Financial status of the Company

① Assets

Ended the end of June 2007, total assets of the Company amount to RMB 857,970,000, including: current assets amounting to RMB 309,420,000, financial assets available for sales amounting to RMB 14,030,000, long-term equity investment amounting to RMB 147,180,000, investment real estate amounting to RMB 128,200,000, fixed assets amounting to RMB 222,230,000, and other assets amounting to RMB 36,900,000.

② Liabilities

Ended the end of June 2007, the liabilities of the Company amount to RMB 654,630,000, including: current liabilities amounting to RMB 555,640,000, and non-current liabilities amounting to RMB 98,990,000.

③ Owners' equity

Ended the end of June 2007, the owners' equity of the Company amount to RMB 203,340,000, including: owners' equity of the Company amounting to RMB 148,350,000, and minority shareholders' equity amounting to RMB 54,990,000.

II. Operations in the first half of year 2007

1. Overall operation of the Company in the report period

Item	Jun.30, 2007	Jun.30, 2006	Increase/decrease（%）
Operating revenue	489,827,900.41	581,123,947.74	-15.71
Operating profit	-288,526.50	-2,477,812.38	88.36
Net profit	-890,693.79	2,350,069.60	-137.90

The reason of decrease in profit is mainly:

① Due to the decrease in gross profit of automobile after market business, the gross profit of the Company in the first half year decreased RMB 7,210,000 year-on-year, including: gross profit of automobile selling amounting to RMB 4,950,000, and gross profit of automobile examination and maintenance amounting to RMB 2,170,000.

② Disposal of partial properties in the first year produced income amounting to RMB 8,180,000, including: workshop of Shuibei No.1 produced income amounting to RMB 6,020,000, and Fuyiyaju produced income amounting to RMB 2,140,000.

2. Operating revenue classified according to industries

Industry	Operating revenue	Operating costs	Gross profit ratio %	Increase/decrease in operating revenue year-on-year %	Increase/decrease in operating costs year-on-year%	Increase/decrease in gross profit year-on-year%
Automobile	32,286,493.52	28,037,287.75	13.16	5.58	16.03	-7.83

examination and maintenance						
Automobile trade	414,891,210.74	400,200,769.86	3.54	-18.40	-18.13	-0.32
Lease service	40,310,744.79	18,107,167.42	55.08	-1.14	1.71	-1.26
Real estate	510,621.00	134,979.28	73.56	16.44	8.14	2.03
Others	1,828,830.36	907,217.48	50.39	108.03	57.44	15.94
Total	489,827,900.41	447,387,421.79	8.66	-15.71	-15.82	0.12

3. In the report period, the profit composition, main business or its structure, its profit-earning ability haven't occurred material changes.

4. The Company hasn't other operating business activities that have significant influence on operating profit of the report period.

5. Particulars about single shareholding company whose investment income has over 10% influence on net profit of the Company in the report period:

Company	**Business character**	**Main product or service**	**Net profit (35%)**
Shenzhen Renfu Tellus Automobile Service Co., Ltd.	Automobile maintenance etc.	Automobile maintenance, automobile show, sales of automobile fittings and accessories, automobile technology consultation, and sales of automobile	4,749,500.00

6. The problems and difficulties occurred in the operation

① In aspect of market and policy

The competition on automobile market is more and more severe, the sales price of automobile drop down, and operating costs increases. At the same time, due to policy adjustment on compulsive qualification certification of general tax payer in automobile maintenance enterprises, private freight vehicles inspection exemption, new consumption tax of automobiles imposition etc., the gross profit in automobile after market of the Company decreased.

② In aspect of heavy historical burden of the Enterprise itself

The debt service pressure of the Company's loans is still relatively great, especially after the courthouse judged the Company lost the lawsuit of Guarantee for Shenzhen Petrochemical Industry (Group) Co., Ltd., the debt burden of the Company further aggravated.

③ In aspect of operating management of the Company

Partial wholly controlled enterprises that belonged to the Enterprise, due to enterprise aging, the business mode relatively is left behind, existing operation system can't perfectly adapt the severe market competition yet at present, the market exploration ability is relatively weak.

④ In aspect of deposit asset stimulation

The property of Tellus Group is relatively aged, most of them are built at the beginning of 1980s, the auxiliary facilities is old, the appearance disrepair badly, the leasing price of property can only maintain a relatively low level, and the maintenance cost is relatively high. We must enhance the quality of these assets creatively through various manners so as to let it make more contribution to the benefit of the Group.

7. Operation measures in the second-half year

① Strengthen debt restructuring force, try to reduce financing cost

Actively, broadly communicate and discuss with banks, implement loans integration and restructuring, settle the problems of difficult financing, high capital cost completely, satisfy the capital demand of the Enterprise for normal operation and development.

② Strengthen enterprise management

Tighten internal audit, strengthen enterprise supervision, keep strict with property right representative reporting system, perfect legal-person administration structure.

③ Stimulate deposit asset, speed up the promotion of property reconstruction project

At the same time of continuously do our best to property leasing work, speed up property reconstruction and development. Actively cooperate with the government programming, speed up the development of Shuibei Jewelry Industrial Park and the declaration, examination and approval work of Reconstruction Project of Old City in Yannan Road.

④ Actively and reliably promote the Automobile Quick Repair Chain Project, make main business of automobile after-market service large and strong

⑤ Seriously deal with lawsuits, continuously do well the cost-saving and revenue-generating work

Continue to try our best to deal with the Petrochemical Guarantee Case, and Yueyang Real Estate Dissension etc. lawsuit cases seriously, strive to reduce the loss to a minimum extent. Meanwhile, do well the cost and expense control as before, generate revenue and save energy.

III. Investments in the report period

1. In the report period, the Company neither raised any capital, nor has capital raised before lasted to the report period.

2. In the report period, the Company hasn't any investment project with non-raised capital.

IV. The Company hasn't disclosed profit-earning estimate, relevant prospect or plan

V. According to present operation and financial status, the Company hardly can estimate net profit of the 3rd quarter.

Section VI. Significant Events

I. Administration of the Company

In the report period, according to requirement of Company Law, Securities Law and relevant laws and regulations, the Company continuously completes legal-person administration structure of the Company, further regulation the operation of the Company, and the management and operation of the Company basically conform to the requirement of Administration Standards for Listed Companies.

II. Profit distribution plan and the plan of capital public reserve transferring into share capital in the report period

(I) In the report period, the Company hasn't implemented profit distribution, neither implemented capital public reserve transferring into share capital.

(II) Neither distributing profit nor transferring capital public reserve into share capital in interim period.

III. Significant lawsuits and arbitrations

In the report period, the Company had no new significant lawsuits and arbitrations.

With the explanations on original significant lawsuits and arbitrations of the Company are as follows:

1. 40 owners of Yueyang Tellus Shopping City including Ji Jianjun and Zhou Linxia sued Tellus Shopping City developed by Shenzhen Tellus Real Estate Yueyang Co., Ltd. (hereinafter referred to as Yueyang Company). The Company had appealed to Yueyang Intermediate People's Courts. Yueyang Intermediate People's Courts had accepted and heard the appeal application of the Company, and the case was on the docket for the moment. Relevant public notice was published on Securities Times and Ta Kung Pao on Mar. 8, 2007.

2. In Oct., 2005, the Company lodged a complaint to the People’s Court of Shenzhen Luohu District, demanding that Gintian Industry (Group) Co., Ltd repay the Company RMB 4,081,830 that had been deducted compulsively from the Company’s account because of the bank loan guarantee provided for it. (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.) The court pronounced that the Company won the lawsuit. Up to the disclosure date of this report, the Company applied to the court for compulsive implementation, and it was in process.

3. In Oct., 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 pronounced that the Company won the lawsuit. Up to the disclosure date of this report, the Company applied to the court for compulsive implementation, and it was in process.

4. 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 (2006)YGFMEZZi No. 172 from Shenzhen Intermediate People’s Court on April 12, 2007, which ruled that dismissed the claim from the Company and uphold the sentence. Relevant public notices were published in Securities Times and Wen Wei Po on April 17, 2007.

5. 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 would get a fixed share of 6,000 square meters while the remaining property would be given to Jinlu Company; if the whole property did not total 6,000 square meters, Tellus Real Estate Company would have it all; and that the two parties would split the accounts receivable to be recovered 5:5. The court accepted the case. Till the disclosure of this report, the court was still hearing the case. Tellus Real Estate Company withdrew a 50% bad debt reserve for this account receivable.

IV. In the report period, the Company had no significant purchase, sale or reorganization of assets.

V. Significant related transactions in the report period

(I) In the report period, the Company had no related transaction of purchase and sale of merchandise and supply of labor service with the related parties.

(II) In the report period, the Company had no related transaction of purchase and sale of assets with the related parties.

(III) The creditor's rights and liabilities as well as guarantees between the Company and the related parties:

For details of the creditor's rights and liabilities as well as guarantees between the Company and the related parties, please refer to Supplementary VIII (III) of the Accounting Statement.

(IV) Other significant related transactions

In the report period, the Company signed an Agreement on Loans with SDG, SDG provided a loan of RMB 5,000,000 for the Company, with the time limit of 2 months and annual interest rate of 7.00%. Relevant public notice was published on Securities Times and Wen Wei Po dated Apr.7, 2007. This loan has been returned on May 25, 2007.

VI. Significant contracts and their implementations

(I) In the report period, the Company has no significant transactions, trusteeship, contract and lease of other companies' assets occurred or occurred in previous periods and lasting to this period, or other companies' trusteeship, contract and lease of assets of the Company.

(II) Material guarantee contract in the report period

Unit: RMB'0000

Particulars about the external guarantee of the Company (Barring the guarantee for the controlling subsidiaries)						
Name of the Company guaranteed	Date of happening (date of signing agreement)	Amount of guarantee	Guarantee type	Guarantee term	Complete Implementation or not	Guarantee for related parts (Yes or No)
Shenzhen Auto Industry Import & Export Company	Jan.26, 2007	RMB 1000	Credit	Half an year	No	Yes

Shenzhen Auto Industry Import & Export Company	Jul.6, 2006	RMB 1000	Credit	One year	No	Yes
Shenzhen Auto Industry Import & Export Company	Aug.2, 2006	200 (US dollars)	Quota	One year		Yes
Total amount of guarantee in the report period			1000			
Total balance of guarantee at the end of the report period (A)			3561.80			
Guarantee of the Company for the controlling subsidiaries						
Total amount of guarantee for controlling subsidiaries in the report period			628			
Total balance of guarantee for controlling subsidiaries at the end of the report period (B)			1730			
Particulars about the total guarantee of the Company (Including the guarantee for the controlling subsidiaries)						
Total amount of guarantee(A+B)			5291.80			
The proportion of the total amount of guarantee in the net assets of the Company			35.67%			
Including:						
Amount of guarantee for shareholders, actual controller and its related parties(C)			0			
The debts guarantee amount provided for the guarantee of which the assets-liability ratio exceeded 70% directly or indirectly(D)			3561.80			
Proportion of total amount of guarantee in net assets of the Company exceeded 50%(E)			0			
Total amount of the aforesaid three guarantees*(C+D+E)			3561.80			

By Jun.30, 2007, guarantees provided by the Company (including guarantees for shareholding subsidiaries) amounted to RMB 52,918,000, taking up 35.67% of the Company’s net assets. No guarantee has been provided by the Company for shareholders, the actual controller or other related parties during the report period, while the guarantees provided for companies with an asset-liability ratio of over 70 percent amounted to RMB 35,618,000.

Of the aforesaid guarantees, the first guarantee provided by the Company’s subsidiary Auto Industry & Trade for Import & Export Company occurred in 1996, when the Import & Export Company had not carried out the system transformation yet and still was a wholly-owned subsidiary of Auto Industry & Trade. In July 2002, Import & Export Company conducted the transformation, and the guarantee provided by Auto Industry & Trade for Import & Export Company before the latter’s system transformation amounted to RMB 84 million. After the system transformation was implemented, according to the requirements of the agreements among the shareholders of Import & Export Company, it was change as that each shareholder provides guarantee for Import & Export Company’s loans by its proportion; the guarantee quota of Auto Industry & Trade was reduced to RMB 36 million and USD 2 million of line of credit. Apart from this, other shareholders of Import & Export Company laid their equity as pledge to Auto Industry & Trade.

Decision-making procedures on the Company’s providing guarantees for shareholding subsidiaries have been made strictly according to relevant regulations of the Company. The Company will take effective measures to control and avoid guarantee risks.

VII. Other important events, their influence and analysis explanation on solution plan

(I) Securities investment: naught

(II) The equity held of other listed companies

Stock code	Short form of the stock	Initial investment amount	Proportion in the equity of the Company	Book value at period-end	Gains and losses in the report period	Change of owner's equity in the report period
600649	Raw Water Stock	2,761,422.92	0.065%	14,030,000.00	2,983,086.07	14,740,222.58
Total		2,761,422.92	—	14,030,000.00	2,983,086.07	14,740,222.58

(III) The equity of unlisted financial enterprises and to-be-listed companies: naught

VIII. Important contracts and their implementation

1. The Company has not entrusted, contracted or leased other companies' assets or vice versa in the report period, nor were there any such kind of issues that happened in previous period and still lasted in the report period.
2. There were no important guarantee contracts in the report period, nor were there any such issues that happened in previous period and still lasted in the report period.
3. The Company has not entrusted others with the management of cash assets in the report period, nor were there any such issues that happened in previous period and still lasted in the report period.

IX. Commitments made by shareholders holding over 5% shares

During the Company's Share Merger Reform, SDG, the shareholder holding non-circulating shares, has made the following special commitments apart from its performance of statutory obligations in commitments:

1. No 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 the day the reform plan is implemented.
2. Special commitments of the incentive mechanism

To make an effective and long-term encouragement to the core management level and business elites of the Company, SDG takes its held no more than 10% out of the 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 in 3 years and the selling price is the audited net assets value per share of the Company in the latest period at the time of implementation. Each year before the implementation of the equity incentive plan, members of the management team should pay risk responsibility fund to the Company in advance, i.e. 20% of the 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 be returned. Detailed rules on the restrictions and incentives plans including the subscription conditions and risk responsibility fund etc. for the management team will be formulated by the Board of the Company and then handed over to relevant department for approval. The implementation of the equity incentive shares will comply with the relevant laws and regulations and the circulating conditions of these shares will abide by relevant regulations set by Shenzhen Stock Exchange.
3. Relevant expenses of Tellus' Share Merger Reform will be paid by SDG.
SDG is performing the aforesaid commitments.

X. In the report period, the Company has not changed the Certified Public Accountants. The Semi-annual Report is unaudited.

XI. In the report period, the Company and its directors, supercvisors, senior executives, the Company's shareholders, and actual controller have not received any investigation from entitled organ, coercive measures adopted by judicial discipline inspection department, deportation to judicial organ or affixed criminal responsibility, checks and administrative punishments from CSRC, no access to stock market, cognizance as an unfit person selected, punishments by other administration department, and public condemnation by Shenzhen Stock Exchange.

XII. In the report period, in accordance with the Guidance for Fair Information Disclosure for Listed Companies, the Company as well as relevant obligors for information disclosure strictly obeyed the rule of fair information disclosure, without any implementation of discrimination policy, and any disclosure, revealing or leaking of non-public information selectively and privately to specific objects. In the report period, there was no reception of investigations and interviews of the Company.

XIII. The Company formulated Internal Control working System of Shenzhen Tellus Holding Co., Ltd., in accordance with the requirements of Notice on Printing and Distributing the Work Guidance for Enforcing Internal Control of Listed Companies (SZJFZi〔2004〕No.223) issued by Shenzhen Securities Regulatory Bureau in Dec.16, 2004 in and earnestly carried out it in practical working, acting as a fairly stimulus to the standard administration of the Company. The Company will further normalize the internal control system in accordance with the requirements of Shenzhen Stock Exchange and other supervisory departments.
XIV. Index to important issues disclosed in the report period

Notice number	Disclosure issues	Disclosure date	Publishing media
2007001	Notice on Estimated Losses in Achievement of 2006	Jan.9, 2007	Securities Times, Ta Kung Pao, Juchao Website
2007002	Notice on External Guarantee	Feb.15, 2007	Securities Times, Ta Kung Pao, Juchao Website
2007004	Notice on Significant Lawsuit Events	Mar.8, 2007	Securities Times, Ta Kung Pao, Juchao Website
2007005	Notice on Stopping Transaction of Stock	Mar.20, 2007	Securities Times, Ta Kung Pao, Juchao Website

2007006	Notice on Irregular Vibration of Stock Price	Mar.21, 2007	Securities Times, Ta Kung Pao, Juchao Website
2007007	Notice on Change of Overseas Newspaper for Information Disclosure	Mar.28, 2007	Securities Times, Ta Kung Pao, Wen Wei Po, Juchao Website
2007012	Notice on Related Transaction	Apr.7, 2007	Securities Times, Wen Wei Po, Juchao Website
2007014	Notice on Estimated Losses in Achievement of the 1st Quarter	Apr.10, 2007	Securities Times, Wen Wei Po, Juchao Website
2007015	Notice on Irregular Vibration of Stock Price	Apr.16, 2007	Securities Times, Wen Wei Po, Juchao Website
2007016	Notice on the Lawsuit Progress	Apr.17, 2007	Securities Times, Wen Wei Po, Juchao Website
2007019	Notice on Stopping Transaction	Apr.24, 2007	Securities Times, Wen Wei Po, Juchao Website
2007020	Notice on Increase the Temporary Proposal of 2006 Annual Shareholders' General Meeting	May.10, 2007	Securities Times, Wen Wei Po, Juchao Website
2007021	Notice on Rumor Clarification	May.16, 2007	Securities Times, Wen Wei Po, Juchao Website
2007023	Notice on Irregular Vibration of Stock Price	May.23, 2007	Securities Times, Wen Wei Po, Juchao Website
2007024	Notice on Stopping Transaction	May.25, 2007	Securities Times, Wen Wei Po, Juchao Website

Section VII. Financial Report (Unaudited)

1. Balance Sheet, Profit and Profit Distribution Statement, Cash Flow Statement and Supplementaries to the Accounting Statements of the Company in the report period. (See the next pages)
2. The Semi-annual Financial Statements 2007 of the Company have not been audited.

Balance Sheet

Prepared by ShenZhen Tellus Holding Co., Ltd. Jun.30, 2007

Unit: RMB

Items	Amount at period-end		Amount at year-begin	
	Consolidation	Parent Company	Consolidation	Parent Company
Current assets:				
Monetary funds	71,769,630.78	1,589,278.03	77,658,825.83	1,460,058.16
Settlement provisions				
Capital lent				
Transaction finance asset				
Notes receivable				
Accounts receivable	27,157,356.85	242,401.54	28,265,819.96	242,401.54
Accounts in advance	65,927,116.47	381,271.43	36,989,533.14	381,271.43
Insurance receivable				
Reinsurance receivables				
Contract reserve of reinsurance receivable				
Interest receivable				
Other receivables	79,381,086.26	30,747,123.07	53,674,529.08	30,570,654.37
Purchase restituted finance asset				
Inventories	62,229,783.12		95,020,892.78	
Non-current asset due within one year				
Other current assets	2,955,893.14		120,963.38	
Total current assets	309,420,866.62	32,960,074.07	291,730,564.17	32,654,385.50
Non-current assets:				
Granted loans and advances				
Finance asset available sales	14,030,000.00	14,030,000.00		
Held-to-maturity securities				
Long-term account receivable				
Long-term equity investment	147,182,784.61	377,691,479.45	145,764,407.03	376,346,952.37
Investment property	128,195,458.41	81,942,280.24	130,724,157.87	83,590,166.80
Fixed assets:	222,231,496.61	23,932,833.46	228,453,623.68	24,537,096.02
Construction in progress	703,896.24		96,294.37	
Engineering material				

Disposal of fixed asset				
Consumable biological asset				
Oil and gas asset				
Intangible assets	1,266,533.29	1,266,533.29	1,267,733.29	1,267,733.29
Expense on Research and Development				
Goodwill				
Long-term expenses to be apportioned	3,973,738.66	47,813.50	4,262,460.75	62,706.04
Deferred income tax asset	20,473,848.98	4,586,305.88	20,473,848.98	4,586,305.88
Other non-current asset	10,491,352.36		10,688,342.98	
Total non-current asset	548,549,109.16	503,497,245.82	541,730,868.95	490,390,960.40
Total assets	857,969,975.78	536,457,319.89	833,461,433.12	523,045,345.90
Current liabilities:				
Short-term loans	213,039,008.55	121,918,670.55	224,318,670.55	136,348,670.55
Loan from central bank				
Absorbing deposit and interbank deposit				
Capital borrowed				
Transaction financial liabilities				
Notes payable	60,000,000.00		90,000,000.00	
Accounts payable	58,033,543.03	1,554.00	35,050,627.86	1,554.00
Accounts received in advance	8,296,338.15		14,662,029.70	
Selling financial asset of repurchase				
Commission charge and commission payable				
Wage payable	9,202,905.64	362,599.76	12,216,411.17	1,481,989.24
Taxes payable	20,166,381.31	1,019,766.19	11,992,000.81	1,034,288.86
Interest payable				
Dividend payable	1,674,491.98		1,674,491.98	
Other accounts payable	185,269,760.30	180,421,284.69	155,167,168.73	164,646,897.28
Reinsurance payables				
Insurance contract reserve				
Security trading of agency				
Security sales of agency				
Long-term liabilities due				

within 1 year				
Other current liabilities	-43,270.59		1,498,582.09	
Total current liabilities	555,639,158.37	303,723,875.19	546,579,982.89	303,513,399.93
Non-current liabilities:				
Long-term loans	4,400,000.00			
Bonds payable				
Long-term account payable	5,002,455.16		5,002,455.16	
Special accounts payable				
Projected liabilities	87,568,728.57	87,568,728.57	87,568,728.57	87,568,728.57
Deferred income tax liabilities	2,015,902.31		2,015,902.31	
Other non-current liabilities				
Total non-current liabilities	98,987,086.04	87,568,728.57	94,587,086.04	87,568,728.57
Total liabilities	654,626,244.41	391,292,603.76	641,167,068.93	391,082,128.50
Owner's equity (or shareholders' equity):				
Paid-in capital (or share capital)	220,281,600.00	220,281,600.00	220,281,600.00	220,281,600.00
Capital public reserve	19,072,862.89	19,072,862.89	7,315,726.38	7,315,726.38
Less: Inventory shares				
Surplus public reserve	3,609,571.64	2,597,557.94	3,609,571.64	2,597,557.94
Provision of general risk				
Retained profit	-94,613,931.86	-96,787,304.70	-93,723,238.07	-98,231,666.92
Balance difference of foreign currency translation				
Total owner's equity attributable to parent company	148,350,102.67	145,164,716.13	137,483,659.95	131,963,217.40
Minority interests	54,993,628.70		54,810,704.24	
Total owner's equity	203,343,731.37	145,164,716.13	192,294,364.19	131,963,217.40
Total liabilities and owner's equity	857,969,975.78	536,457,319.89	833,461,433.12	523,045,345.90

Profit Statement

Prepared by ShenZhen Tellus Holding Co., Ltd. Jun.30, 2007

Unit: RMB

Items	This period		Same period of last year	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Total operating income	489,827,900.41	7,196,005.67	581,123,947.74	8,263,340.50
Including: Operating income	489,827,900.41	7,196,005.67	581,123,947.74	8,263,340.50
Interest income				
Insurance gained				
Commission charge and commission income				
II. Total operating cost	496,739,313.48	11,954,291.94	584,613,923.98	12,243,469.88
Including: Operating cost	447,387,421.79	2,033,750.28	531,472,651.13	2,115,596.20
Interest expense				
Commission charge and commission expense				
Cash surrender value				
Net amount of expense of compensation				
Net amount of withdrawal of insurance contract reserve				
Bonus expense of guarantee slip				
Reinsurance expense				
Operating tax and extras	2,175,025.38	373,389.09	2,007,054.18	429,693.70
Sales expenses	18,344,834.42		21,962,792.92	
Administration expenses	21,684,840.39	5,514,891.63	24,188,698.96	5,995,086.63
Financial expenses	7,147,191.50	4,032,260.94	4,982,726.79	3,703,093.35
Losses of devaluation of asset				
Add: Changing income of fair value(Loss is listed with “-”)				
Investment income (Loss is listed with “-”)	6,622,886.57	6,549,036.07	1,012,163.86	-82,672.08
Including: Investment income on affiliated company and joint venture				
Exchange income (Loss is listed with “-”)				

III. Operating profit (Loss is listed with "-")	-288,526.50	1,790,749.80	-2,477,812.38	-4,062,801.46
Add: Non-operating income	837,426.72	-100,000.00	8,384,430.99	6,034,368.67
Less: Non-operating expense	464,241.32	246,387.58	1,295,132.94	1,008,556.26
Including: Disposal loss of non-current asset				
IV. Total Profit (Loss is listed with "-")	84,658.90	1,444,362.22	4,611,485.67	963,010.95
Less: Income tax	319,786.04		621,472.78	
V. Net profit (Net loss is listed with "-")	-235,127.14	1,444,362.22	3,990,012.89	963,010.95
Net profit attributable to owner's equity of parent company	-890,693.79		2,350,069.60	
Minority shareholders' gains and losses	655,566.65		1,639,943.29	
VI. Earnings per share				
i. Basic earnings per share				
ii. Diluted earnings per share				

Statement of Cash Flow

Prepared by ShenZhen Tellus Holding Co., Ltd. Jun.30, 2007

Unit: RMB

Items	This period		Same period of last year	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Cash flows arising from operating activities:				
Cash received from selling commodities and providing labor services	632,897,560.92	7,757,889.13	693,316,851.80	1,262,239.90
Net increase of customer deposit and interbank deposit				
Net increase of loan from central bank				
Net increase of capital borrowed from other financial institution				
Cash received from original insurance contract fee				
Net cash received from reinsurance business				
Insured savings and net increase of investment				
Net increase of disposal of transaction financial asset				
Cash received from interest, commission charge and commission				
Net increase of capital borrowed				
Net increase of returned business capital				
Write-back of tax received	94,336.84		251,951.58	
Other cash received concerning operating activities	85,258,904.51	25,048,626.59	160,594,912.59	42,165,458.45
Subtotal of cash inflow arising from operating activities	718,250,802.27	32,806,515.72	854,163,715.97	43,427,698.35
Cash paid for purchasing commodities and receiving labor service	496,401,674.99		550,770,671.38	
Net increase of customer loans and advances				
Net increase of deposits in central bank and interbank				
Cash paid for original insurance contract compensation				
Cash paid for interest, commission charge and commission				

Cash paid for bonus of guarantee slip				
Cash paid to/for staff and workers	24,942,875.66	2,696,316.86	30,225,957.04	2,912,044.98
Taxes paid	12,563,634.04	1,400,684.91	18,884,496.15	4,935,327.69
Other cash paid concerning operating activities	184,850,750.85	15,334,508.08	258,435,235.51	44,864,840.47
Subtotal of cash outflow arising from operating activities	718,758,935.54	19,431,509.85	858,316,360.08	52,712,213.14
Net cash flows arising from operating activities	-508,133.27	13,375,005.87	-4,152,644.11	-9,284,514.79
II. Cash flows arising from investing activities:				
Cash received from recovering investment	3,471,645.50	3,471,645.50	141,000.00	141,000.00
Cash received from investment income			2,186,802.76	6,527.92
Net cash received from disposal of fixed, intangible and other long-term assets			8,962,376.00	6,098,000.00
Net cash received from disposal of subsidiaries and other units				
Other cash received concerning investing activities				
Subtotal of cash inflow from investing activities	3,471,645.50	3,471,645.50	11,290,178.76	6,245,527.92
Cash paid for purchasing fixed, intangible and other long-term assets	267,788.00		1,061,024.74	7,600.00
Cash paid for investment			10,500,000.00	
Net increase of mortgaged loans				
Net cash received from subsidiaries and other units				
Other cash paid concerning investing activities	25,938.00		243,816.50	
Subtotal of cash outflow from investing activities	293,726.00	-	11,804,841.24	7,600.00
Net cash flows arising from investing activities	3,177,919.50	3,471,645.50	-514,662.48	6,237,927.92
III. Cash flows arising from financing activities				
Cash received from absorbing investment				
Including: Cash received from absorbing minority shareholders' investment by subsidiaries				

Cash received from loans	97,100,000.00		48,178,016.16	37,000,000.00
Cash received from issuing bonds				
Other cash received concerning financing activities	23,297,866.39		15,025,943.07	
Subtotal of cash inflow from financing activities	120,397,866.39	-	63,203,959.23	37,000,000.00
Cash paid for settling debts	98,480,000.00	14,430,000.00	57,697,240.00	28,252,240.00
Cash paid for dividend and profit distributing or interest paying	4,350,320.04	2,287,431.50	5,685,498.24	4,657,968.62
Including: Dividend and profit of minority shareholder paid by subsidiaries				
Other cash paid concerning financing activities	26,126,349.23		1,879,374.70	
Subtotal of cash outflow from financing activities	128,956,669.27	16,717,431.50	65,262,112.94	32,910,208.62
Net cash flows arising from financing activities	-8,558,802.88	-16,717,431.50	-2,058,153.71	4,089,791.38
IV. Influence on cash due to fluctuation in exchange rate	-178.40		-605.85	
V. Net increase of cash and cash equivalents	-5,889,195.05	129,219.87	-6,726,066.15	1,043,204.51
Add: Balance of cash and cash equivalents at the period -begin	77,658,825.83	1,460,058.16	105,804,080.45	833,381.63
VI. Balance of cash and cash equivalents at the period -end	71,769,630.78	1,589,278.03	99,078,014.30	1,876,586.14

Consolidated Statement on Changes of Owners' Equity

Prepared by ShenZhen Tellus Holding Co., Ltd. Jun. 2007 Unit: RMB

Items	Amount in this year									Amount in last year								
	Owners' equity belonged to the parent company							Minority interest	Total owners' equity	Owners' equity belonged to the parent company							Minority interest	Total owners' equity
	Paid-in capita	Capital reserves	Less: Treasury Stock	Surplus reserves	General risk provision	Retained profit	Others			Paid-in capita	Capital reserves	Less: Treasury Stock	Surplus reserves	General Risk provision	Retained profit	Others		
I. Balance at the end of the last year	220281600.00	7315726.38		3218372.66		-95099004.73	-857499.68	54355271.23	189214465.86	220281600.00	5780685.92		3218372.66		-2950213.13	-457966.62	51344837.67	277217316.50
Add: Changes of accounting policy				391198.98	0	1375766.66	857499.68	455433.01	3079898.33									
Error correction of the last period									0									
II. Balance at the beginning of this year	220281600.00	7315726.38		3609571.64		-93723238.07		54810704.24	192294364.19	220281600.00	5780685.92		3218372.66		-2,950,213.13	-457966.62	51344837.67	277217316.50
III. Increase/ Decrease in this year (Decrease is listed with"-")	0	11757136.51	0	0	0	-890693.79	0	182924.46	11049367.18						1,531,762.50		1880566.71	3412329.21
(I) Net profit						-890693.79		182924.46	-707769.33						1,084,331.86		1880566.71	2964898.57
(II) Profits and losses calculating into owners' equity		11757136.51							11757136.51									
1. Net changing amount of fair value of financial assets available for sale		11757136.51							11757136.51									
2. Effect of changes of other owners' equity of invested units under equity method																		
3.Effect of income tax related to owners' equity																		
4. Others																		
Subtotal of (I)and (II)	0	11757136.51	0	0	0	-890693.79	0	182924.46	11049367.18	0	0	0	0	0	1084331.86	0	1880566.71	2964898.57
(III) Owners' devotion and decreased capital																		
1. Owners' devotion capital																		
2. Amount calculated into owners' equity paid in shares																		
3. Others																		
(IV) Profit distribution																		
1. Withdrawal of surplus reserves																		
2. Distribution for owners (shareholders)																		
3. Ohters																		
(V) Carrying forward internal owners' equity															447,430.64			447430.64
1.Capital reserves conversed to capital (share capital)																		
2. Surplus reserves conversed to capital (share capital)																		
3.Remedying loss with profit surplus																		
4.Others															447,430.64	-		447430.64
IV. Balance at the end of this year	220281600.00	19072862.89	0	3609571.64	0	-94613931.86	0	54993628.70	203343731.37	220281600.00	5780685.92	0	3218372.66	0	-1,418,450.63	-457,966.62	53225404.38	280629645.71

Statement of Provision for Devaluation of Assets

Prepared by ShenZhen Tellus Holding Co., Ltd. Jun., 2007 Unit: RMB

Items	Balance at year-begin		Increase amount in this period		Decrease amount in this period						Amount at period-end	
					Swiching back due to increase of asset value		Switching back due to other reson		subtotal			
	Parent Company	Consolidation	Parent Company	Consolidation	Parent Company	Consolidation	Parent Company	Consolidation	Parent Company	Consolidation	Parent Company	Consolidation
I. Total of provision for bad debts	8,483,305.09	73,639,003.67		2,606.49				2,606.49		2,606.49	8,483,305.09	73,639,003.67
Including: Account receivable	242,401.54	32,643,891.30						2,606.49		2,606.49	242,401.54	32,641,284.81
Other account receivable	8,240,903.55	40,995,112.37		2,606.49							8,240,903.55	40,997,718.86
II.Provision for devaluation of held-to-maturity investment												
III. Provision for falling price of inventory	2,372,278.63	15,347,375.93									2,372,278.63	15,347,375.93
Including: Inventory commodity	2,372,278.63	12,592,527.73									2,372,278.63	12,592,527.73
Raw material(product under manufacturing)		2,754,848.20										2,754,848.20
Lease developed product												
Easily exhausted product with low value												
IV. Provision for devaluation of long-term equity investment	17,780,900.00	33,713,140.65									17,780,900.00	33,713,140.65
V. Provision for devaluation of fixed assets	3,555,385.70	4,231,301.32									3,555,385.70	4,231,301.32
Including: House and building	3,555,385.70	3,555,385.70									3,555,385.70	3,555,385.70
Machinery equipment		650,147.31										650,147.31
Transportation equipment												
Other equipment		25,768.31										25,768.31
VI. Provision for devaluation of intangible asset												
Including: Patent right												
Trademark right												

VII. Provision for devaluation of construction in progress												
VIII. Provision for losses of loan												

Supplementary statement of profit

Items	June 2007			
	Return on equity (%)		Earnings per share (RMB/Share)	
	Fully diluted	Weighted average	Fully diluted	Weighted average
Operating profit	-0.19	-0.21	-0.011	-0.011
Net profit	-0.60	-0.65	-0.004	-0.004
Net profit after deducting non-recurring gains and losses	-2.86	-3.14	-0.019	-0.019

Section VIII. Documents for Reference

There are complete documents available at the office building of the Company for the reference by CSRC, Shenzhen Stock Exchange, relevant departments in charge and the investors. The documents include:

1. The Semi-annual Report with the signature of the Chairman of the Board of the Company;
2. Text of the Financial Report with the signatures and seals of the legal representative, the person in charge of accounting work and the person of the accounting organs;
3. Texts of all the Company's documents ever disclosed in the newspapers designated by the CSRC in the report period as well as the originals of the public notices;
4. Text of the Articles of Association of the Company;
5. Other relevant materials.

Board of Directors of
Shenzhen Tellus Holding Co., Ltd
Signature of Chairman of the Board: Zhang Ruili
August 15, 2007