

**UNAUDITED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2004**

	Note	<i>Six months ended 30 June</i>			
		<i>2004</i> <i>(RMB)</i>	<i>2003</i> <i>(RMB)</i> <i>Audited</i>	<i>2004</i> <i>(US\$)</i> <i>(Note 13)</i>	<i>2003</i> <i>(US\$)</i> <i>(Note 13)</i>
Turnover		291,558,020	253,350,648	35,226,786	30,607,515
Cost of sales		<u>(105,738,589)</u>	<u>(114,786,018)</u>	<u>(12,775,607)</u>	<u>(13,867,400)</u>
Gross profit		185,819,431	138,564,630	22,451,179	16,740,115
Other operating income		2,210,409	4,594,852	267,067	555,108
Distribution expenses		(111,739,981)	(86,268,503)	(13,500,711)	(10,422,173)
General and administrative expenses		(12,318,382)	(9,234,399)	(1,488,338)	(1,115,616)
Other operating expenses		<u>(12,668,571)</u>	<u>(9,588,009)</u>	<u>(1,530,649)</u>	<u>(1,158,336)</u>
Profit from operations		51,302,906	38,068,571	6,198,548	4,599,098
Net finance income/(costs)	3	<u>1,026,006</u>	<u>(2,042,097)</u>	<u>123,965</u>	<u>(246,708)</u>
Profit from ordinary activities before taxation	3	52,328,912	36,026,474	6,322,513	4,352,390
Income tax expenses	4	<u>(7,092,054)</u>	<u>(180,897)</u>	<u>(856,880)</u>	<u>(21,854)</u>
Profit attributable to shareholders		<u>45,236,858</u>	<u>35,845,577</u>	<u>5,465,633</u>	<u>4,330,536</u>
Dividends:	5				
- Dividend approved and paid during the period		31,236,300	-	3,774,050	-
- Interim dividend proposed after the balance sheet date		<u>21,729,600</u>	<u>35,000,000</u>	<u>2,625,426</u>	<u>4,228,381</u>
Earnings per share					
-Basic	6	<u>0.33</u>	<u>0.34</u>	<u>0.04</u>	<u>0.04</u>
-Diluted	6	<u>0.33</u>	<u>N/A</u>	<u>0.04</u>	<u>N/A</u>

The notes on pages 23 to 32 form part of the interim financial report.