

Contingent Liability

As at 30 June 2005, the Group did not have any significant contingent liabilities.

Employee Information and Remuneration Policies

As at 30 June 2005, the Group has 276 employees (as at 31 December 2004: 269) working in the PRC. The Group remunerates its employees on their performance, experience and prevailing industry practices. The Directors are confident that our employees will continue to provide a firm foundation for the success of the Group and will maintain high standard of service to our clients.

■ UNAUDITED CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 30 JUNE 2005

		Unaudited Six months ended 30 June 2005 RMB	Audited Six months ended 30 June 2004 RMB
	<i>NOTES</i>		
Turnover	2	42,024,919	47,009,942
Cost of sales		(27,267,896)	(23,920,756)
Gross profit		14,757,023	23,089,186
Other operating income	3	3,999,377	2,979,060
Research and development expenditure		(3,373,124)	(3,386,109)
Distribution costs		(2,181,509)	(2,427,849)
Administrative expenses		(7,060,840)	(4,719,190)
Profit from operations	4	6,140,927	15,535,098
Share of result of an associate		–	(59,224)
Gain on disposal of interest in an associate		–	333,494
Profit before taxation		6,140,927	15,809,368
Taxation	5	(699,127)	(349,506)
Net profit attributable to shareholders		<u>5,441,800</u>	<u>15,459,862</u>
Earning per share			
– Basic (RMB cents)	7	<u>1.36</u>	<u>5.15</u>
Dividends	6	<u>–</u>	<u>–</u>