

## INTERIM RESULTS

The board of directors (the "Directors") of Xinyu Hengdeli Holdings Limited (the "Company") is pleased to present the unaudited combined interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2005, along with the unaudited comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and have been reviewed by the Audit Committee of the Company.

## COMBINED INCOME STATEMENT

		<b>Unaudited</b>	
		<b>For the six months</b>	
		<b>ended 30 June</b>	
		<b>2005</b>	2004
	Notes	<b>RMB'000</b>	RMB'000
Sales	3	<b>656,504</b>	717,959
Cost of sales	4(ii)	<b>(491,474)</b>	(573,948)
<b>Gross profit</b>		<b>165,030</b>	144,011
Other revenue	4(ii)	<b>342</b>	447
Distribution costs		<b>(50,631)</b>	(43,101)
Administrative expenses		<b>(26,065)</b>	(23,668)
Other expenses		<b>(1,696)</b>	(1,607)
<b>Profit from operations</b>	3	<b>86,980</b>	76,082
Finance costs	4(i)	<b>(11,529)</b>	(7,919)
<b>Profit before tax</b>	4	<b>75,451</b>	68,163
Income tax expense	5	<b>(25,872)</b>	(22,685)
<b>Profit for the period</b>		<b>49,579</b>	45,478
Attributable to:			
Equity holders of the parent		<b>46,066</b>	40,307
Minority interests		<b>3,513</b>	5,171
		<b>49,579</b>	45,478
Basic earnings per share (RMB)	6	<b>0.06</b>	0.05