

A. Interim Financial Report prepared under International Accounting Standard 34 “Interim Financial Reporting” *(see note 1)*

Consolidated Income Statement For the six-month period ended 30 June 2006 *(unaudited)*

	Note	Six-month period ended 30 June	
		2006 RMB'000	2005 RMB'000
Turnover	2	23,440,275	21,886,472
Less : Sales taxes and surcharges		(316,004)	(378,135)
Net sales		23,124,271	21,508,337
Cost of sales		(22,931,817)	(18,949,942)
Gross profit		192,454	2,558,395
Selling and administrative expenses		(281,013)	(196,886)
Other operating income		130,536	137,365
Other operating expenses			
Employee reduction expenses		(19,810)	(90,792)
Others		(42,289)	(43,164)
Total other operating expenses		(62,099)	(133,956)
(Loss)/profit from operations		(20,122)	2,364,918
Share of profits/(losses) of associates		180,156	(93,723)
Net financing costs		(107,335)	(113,407)
Profit before taxation	2,3	52,699	2,157,788
Taxation	4	(11,390)	(359,960)
Profit after taxation		41,309	1,797,828
Attributable to:			
Equity shareholders of the Company		5,693	1,763,442
Minority interests		35,616	34,386
Profit after taxation		41,309	1,797,828
Basic earnings per share	5	RMB 0.001	RMB 0.245

The notes on pages 33 to 44 form part of this unaudited interim financial report.