

The board (the “Board”) of directors (the “Directors”) of Good Friend International Holdings Inc. (the “Company”) is pleased to present the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2006 together with the comparative figures for the corresponding period in 2005. The results have been reviewed by the Company’s auditors, Deloitte Touche Tohmatsu and the Company’s Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2006

		Six months ended 30 June	
		2006	2005
Notes		RMB'000 (unaudited)	RMB'000 (audited)
Revenue		271,299	260,184
Cost of sales		<u>(210,631)</u>	<u>(204,248)</u>
Gross profit		60,668	55,936
Other income	4	3,782	2,788
Distribution costs		(31,500)	(27,052)
Administrative expenses		(11,494)	(5,985)
Other operating expenses		(3,331)	(858)
Interest on bank borrowings wholly repayable within five years		<u>(1,561)</u>	<u>(1,965)</u>
Profit before taxation	5	16,564	22,864
Taxation	6	<u>(885)</u>	<u>(2,059)</u>
Profit for the period attributable to equity holders of the Company		<u>15,679</u>	<u>20,805</u>
Earnings per share – basic, in RMB	8	<u>0.06</u>	<u>0.10</u>