

The Board of Directors (the “Board”) of Asia Zirconium Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2003 together with the comparative figures. The unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have not been audited, but have been reviewed by the Company’s audit committee.

Condensed Consolidated Profit and Loss Account

For the six months ended 30 June 2003

		Unaudited Six months ended 30 June	
		2003	2002
	Notes	RMB'000	RMB'000
Turnover	2	149,024	130,958
Cost of sales		(99,008)	(84,315)
Gross profit		50,016	46,643
Other revenue	2	453	242
Distribution costs		(3,915)	(3,574)
Administrative expenses		(6,697)	(9,553)
Profit from operations	3	39,857	33,758
Finance costs		—	(540)
Profit before taxation		39,857	33,218
Taxation	4	(5,102)	—
Profit attributable to shareholders		<u>34,755</u>	<u>33,218</u>
Dividends	5	<u>—</u>	<u>7,000</u>
Basic earnings per share (RMB)	6	<u>0.087</u>	<u>0.111</u>
Diluted earnings per share (RMB)	6	<u>0.087</u>	<u>N/A</u>