

The board (the "Board") of directors of the Company (the "Directors") is pleased to announce that the unaudited consolidated interim results of the Group for the six months period ended 30 June 2004 (the "Period") are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2004

	Notes	Six months ended 30 June	
		2004	2003
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Turnover	4	4,897,123	5,293,183
Cost of sales		<u>(4,555,993)</u>	<u>(4,867,917)</u>
Gross profit		341,130	425,266
Other operating income	5	64,360	46,876
Selling and distribution expenses		(78,404)	(89,532)
Administrative expenses		<u>(198,189)</u>	<u>(267,454)</u>
Profit from operations	6	128,897	115,156
Share of results of associates		150,491	113,395
Gain on capital contribution from a shareholder of an associate		28,338	—
Gain on disposal of an associate		8,240	—
Finance costs		<u>(28,525)</u>	<u>(46,309)</u>
Profit before income tax expense		287,441	182,242
Income tax expense	7	<u>(58,989)</u>	<u>(50,296)</u>
Profit after income tax expense		228,452	131,946
Minority interests		<u>(98,931)</u>	<u>(65,028)</u>
Net profit for the period		<u>129,521</u>	<u>66,918</u>
Dividend	8	<u>—</u>	<u>—</u>
Basic earnings per share	9	<u>10.8 cents</u>	<u>5.6 cents</u>