

UNAUDITED INTERIM FINANCIAL INFORMATION

The board of directors of the Company (the “Board” or the “Directors”) is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2005, together with the comparative figures for the corresponding period last year, as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2005

(Expressed in RMB'000 unless otherwise stated)

		Unaudited Six months ended 30 June	
	<i>Note</i>	2005	2004 <i>(As restated – Note 2)</i>
Turnover	4	1,104,307	788,667
Cost of sales		(573,677)	(427,122)
Gross profit		530,630	361,545
Other gains	5	10,677	8,269
Distribution expenses		(331,476)	(213,291)
Administrative expenses		(84,703)	(56,112)
Other operating expenses		(11,959)	(11,440)
Operating profit	6	113,169	88,971
Finance costs, net	7	6,355	(1,957)
Profit before taxation		119,524	87,014
Taxation	8	(40,740)	(32,139)
Profit for the period		78,784	54,875
Attributable to:			
Equity holders of the Company		78,313	54,903
Minority interests		471	(28)
		78,784	54,875
Dividends	9	23,533	40,000
Earnings per share for equity holders of the Company (RMB cents)	10		
— Basic		7.65	7.28
— Diluted		7.60	N/A

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2005
(Expressed in RMB'000 unless otherwise stated)

	Note	Unaudited 30 June 2005	Audited 31 December 2004 <i>(As restated — Note 2)</i>
ASSETS			
Non-current assets			
Property, plant and equipment	11	87,962	89,399
Land use rights	12	3,953	4,057
Intangible assets	13	9,061	9,363
		100,976	102,819
Current assets			
Inventories	14	291,866	318,326
Accounts and notes receivable	15	261,052	217,574
Other receivables and prepayments	16	75,904	81,424
Financial assets at fair value through profit or loss	24	41,419	—
Pledged bank deposits	23	99,318	66,212
Fixed deposits held at banks	23	337,432	372,508
Cash at banks and in hand	23	149,136	322,568
		1,256,127	1,378,612
Total assets		1,357,103	1,481,431
EQUITY			
Capital and reserves attributable to the equity holders of the Company			
Share capital	20	108,563	108,563
Reserves	21	941,973	901,454
		1,050,536	1,010,017
Minority interests		17,679	17,208
Total equity		1,068,215	1,027,225
LIABILITIES			
Current liabilities			
Trade payables	17	133,655	260,997
Other payables and accruals	18	134,168	138,102
Short-term borrowings	19	9,000	40,000
Taxation payable		12,065	15,107
Total liabilities		288,888	454,206
Total equity and liabilities		1,357,103	1,481,431

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For the six months ended 30 June 2005***(Expressed in RMB'000 unless otherwise stated)*

		Unaudited Six months ended 30 June		
	<i>Note</i>	Attributable to equity holders of the Company	Minority interests	Total equity
Balance as at 1 January 2004,				
— as previously reported as equity		389,032	—	389,032
Balance as at 1 January 2004,				
— as previously separately reported as minority interests		—	15,869	15,869
Balance as at 1 January 2004, as restated		389,032	15,869	404,901
Profit/(loss) for the period		54,903	(28)	54,875
Dividends declared		(105,772)	—	(105,772)
Employee share option schemes for value of services provided	21	1,269	—	1,269
Net proceeds from issuance of shares of the Company		500,862	—	500,862
Balance as at 30 June 2004		840,294	15,841	856,135
Balance as at 1 January 2005,				
— as previously reported as equity		1,010,017	—	1,010,017
Balance as at 1 January 2005,				
— as previously separately reported as minority interests		—	17,208	17,208
Balance as at 1 January 2005, as restated		1,010,017	17,208	1,027,225
Profit for the period		78,313	471	78,784
Dividends declared	21	(46,932)	—	(46,932)
Employee share option schemes for value of services provided	21	9,138	—	9,138
Balance as at 30 June 2005		1,050,536	17,679	1,068,215



CONDENSED CONSOLIDATED CASH FLOW STATEMENT**For the six months ended 30 June 2005***(Expressed in RMB'000 unless otherwise stated)*

	Unaudited Six months ended 30 June	
	2005	2004
Net cash (used in)/generated from operating activities	(43,197)	32,856
Net cash used in investing activities	(18,095)	(10,644)
Net cash (used in)/generated from financing activities	(112,140)	448,827
(Decrease)/increase in cash and cash equivalents	(173,432)	471,039
Cash and cash equivalents as at 1 January	322,568	224,488
Cash and cash equivalents as at 30 June	149,136	695,527
Analysis of balance of cash and cash equivalents		
Cash at banks and in hand	149,136	695,527

