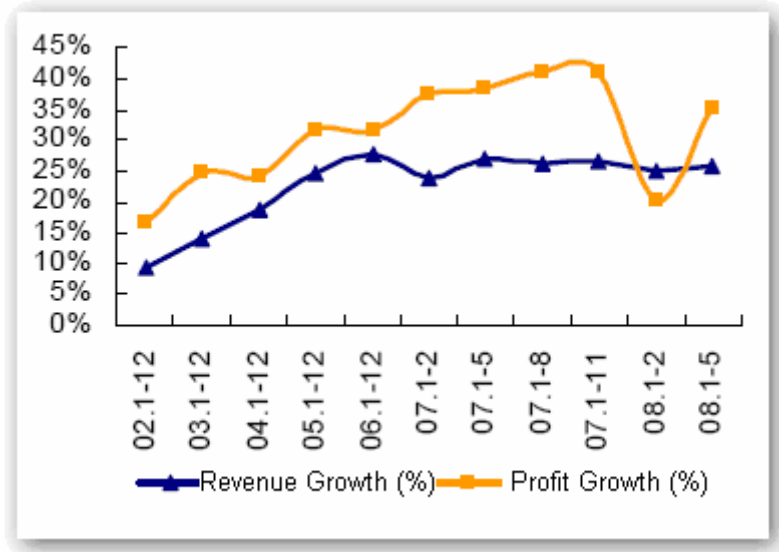


In the first five months of 2008, sales revenue and profit of china beverage industry increased by 25.77% and 35.07% respectively compared to the same period of 2007, however, beer sector had a negative growth.

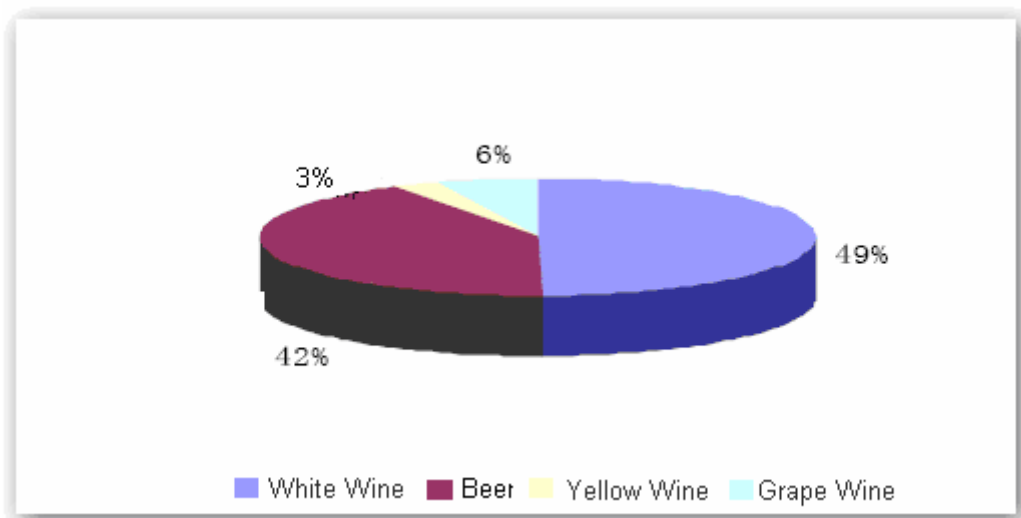
Sales Revenue Growth and Profit Growth of China Beverage Industry, 2002-2008



Source: NBS

The overall sales proportion of Chinese white wine was 60% in 1978, the figure sharply declined to 14% in 2001, but turned to up in 2005, the overall sales proportion of Chinese white wine in the year of 2006 and 2007 was 47.24% and 49.67% respectively.

China Beverage Market Share Distribution by kind in 2007



Source: <http://www.cnwinenews.com/>

In the first five months of 2008, the profit of Chinese white wine in Shanxi province was CNY65 million, down by 76.5% compared to the same period of 2007, however, due to the rapid profit growth in Guizhou province, the overall profit still increased by 63% compare to the same period of 2007.

Chinese White Wine Sales Revenue, Profit Growth and Gross Profit Margin by Region

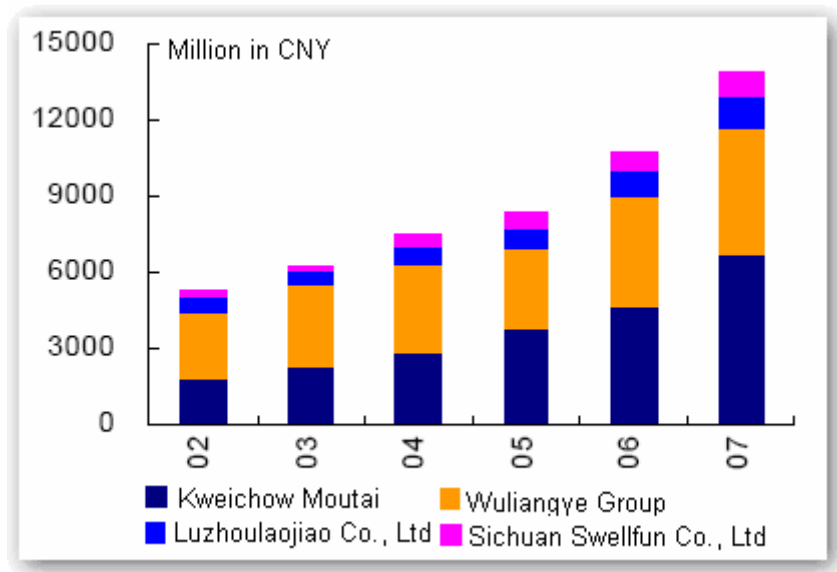
Jan-May 2008

	Number of Enterprises	Revenue Growth	Profit Growth	Gross Profit Margin	Profit Rate	Revenue (100 mil.)	Proportion in National	Profit (100 mil.)	Proportion in National
National	1184	33.2%	63.0%	36.1%	15.7%	625.91	100%	98.35	100%
Sichuan	212	26.1%	37.1%	35.1%	16.6%	243.87	39%	40.45	41%
Guizhou	53	63.6%	163.0%	80.9%	66.3%	49.25	8%	32.66	33%
Shanxi	14	16.9%	-76.5%	34.8%	4.3%	15.02	2%	0.65	1%

Source: NBS

As for high-end Chinese white wine, the sales revenue of four biggest manufacturers increased rapidly in 2006 and 2007, by 28.9% and 29.0% respectively.

High-end Chinese White Wine Sales Revenue, 2002-2007



Source: NBS

In the first five months of 2008, the sales revenue and profit of beer in Shangdong province sharply increased by 22.8% and 9.2% respectively compared to the same period of 2007, accounting for 20% and 35% of national beer sales revenue and profit respectively. However, due to the increasing raw material cost as well as fierce competition, the sales of bear in Guangdong, Sichuan, Jiangsu and Beijing were all decreased.

Beer Revenue Growth, Profit Growth and Gross Profit Margin by Region

Jan-May 2008

	Number of Enterprises	Revenue Growth	Profit Growth	Gross Profit Margin	Profit Rate	Revenue (100 mil.)	Proportion in National	Profit (100 mil.)	Proportion in National
National	582	14.2%	-4.2%	29.9%	4.4%	406.49	100%	18.01	100%
Shandong	72	22.8%	9.2%	28.5%	8.0%	79.40	20%	6.36	35%
Guangdong	26	-10.1%	-89.2%	24.0%	0.4%	30.47	7%	0.11	1%
Jiangsu	45	22.0%	-37.6%	25.5%	1.0%	29.27	7%	0.30	2%
Henan	52	62.3%	72.4%	23.5%	8.7%	28.28	7%	2.45	14%
Sichuan	24	15.6%	-33.1%	30.3%	8.7%	24.57	6%	2.13	12%
Liaoning	26	15.8%	34.3%	41.4%	13.9%	23.09	6%	3.21	18%
Beijing	7	5.8%	-100.6%	23.1%	0.0%	18.22	4%	0.00	0%

Source: NBS

Shandong province has over 60% of national grape wine sales, in the first 5 months of 2008, the sales revenue and profit of grape wine in Shandong province still increased by 33.0% and 25.8% respectively compared to the same period of 2007.

Grape Wine Revenue Growth, Profit Growth and Gross Profit Margin by Region

Jan-May 2008

	Number of Enterprises	Revenue Growth	Profit Growth	Gross Profit Margin	Profit Rate	Revenue (100 mil.)	Proportion in National	Profit (100 mil.)	Proportion in National
National	155	36.2%	32.8%	37.5%	13.3%	86.73	100%	11.56	100%
Shandong	49	33.0%	25.8%	36.8%	14.1%	56.04	65%	7.90	68%
Hebei	21	18.4%	17.2%	46.4%	16.4%	8.68	10%	1.43	12%
Tianjin	4	7.9%	13.3%	61.2%	24.1%	6.28	7%	1.52	13%
Jilin	19	249.8%	4887.2%	33.0%	4.6%	4.74	5%	0.22	2%
Henan	17	91.9%	154.3%	19.8%	13.9%	3.54	4%	0.49	4%
Gansu	6	49.6%	8.6%	31.5%	-4.6%	1.27	1%	-0.06	-1%
Hunan	2	101.6%	319.3%	11.0%	4.7%	1.07	1%	0.05	0%

Source: NBS

Shanghai and Zhejiang province are the key yellow wine consumption regions, in the first five months of 2008, the profit growth of yellow wine in those two regions increased by 72.0% and 2.4% respectively compared to the same period of 2007.

Yellow Wine Revenue, Profit Growth and Gross Profit Margin by Region

Jan-May 2008

	Number of Companies	Revenue Growth	Profit Growth	Gross Profit Margin	Profit Margin	Revenue (CNY100 million)	Ratio to China	Profit (CNY100 million)	Ratio to China
China	99	28.3%	47.8%	28.7%	10.5%	354.07	100%	37.02	100%
Zhejiang Province	47	20.4%	72.0%	26.3%	8.3%	183.14	52%	15.28	41%
Shanghai	6	9.2%	2.4%	52.3%	25.2%	46.25	13%	11.67	32%
Shandong Province	4	73.1%	-12.1%	24.4%	3.2%	23.07	7%	0.74	2%
Jiangsu Province	7	56.0%	216.9%	33.4%	19.8%	22.38	6%	4.42	12%

Source: NBS