

The board of directors (the “Board”) of Kiu Hung International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2004.

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June	
		2004 (Unaudited) HK\$'000	2003 (Unaudited) HK\$'000
<b>TURNOVER</b>	3	<b>34,177</b>	29,748
Cost of sales		<u>(21,255)</u>	<u>(17,457)</u>
Gross profit		<b>12,922</b>	12,291
Other revenue	3	<b>995</b>	1,168
Distribution costs		<b>(3,177)</b>	(2,854)
Administrative expenses		<b>(8,570)</b>	(8,006)
Other operating expenses		<u>(604)</u>	<u>(1,049)</u>
<b>OPERATING PROFIT</b>	4	<b>1,566</b>	1,550
Finance costs	5	<b>(1,117)</b>	(1,177)
Share of profit of an associate		<u>164</u>	<u>–</u>
<b>PROFIT BEFORE TAXATION</b>		<b>613</b>	373
Taxation	6	<b>(56)</b>	(47)
<b>PROFIT AFTER TAXATION</b>		<b>557</b>	326
Minority interest		<u>54</u>	<u>(37)</u>
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>		<u><b>611</b></u>	<u>289</u>
<b>DIVIDENDS</b>	7	<u>–</u>	<u>–</u>
<b>EARNINGS PER SHARE</b>	8		
– Basic		<u><b>HK0.03 cent</b></u>	<u>HK0.01 cent</u>
– Diluted		<u>N/A</u>	<u>HK0.01 cent</u>