

The board of directors (the "Board") of China Bio-medical Group Limited (the "Company") is pleased to announce the unaudited results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2004.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2004

	Note	Six months ended 30 June 2004 HK\$'000 (Unaudited)	Six months ended 30 June 2003 HK\$'000 (Unaudited)
Turnover	4	560	547
Other income		102	604
Material cost for service income		(172)	(220)
Depreciation		(120)	(192)
Staff costs		(2,926)	(3,766)
Other operating expenses		(2,300)	(2,847)
Operating loss before provisions and other losses and gains		(4,856)	(5,874)
Holding gains (losses) on other investments		298	(3)
Profit on disposal of other investments		53	-
Reversal of losses of subsidiaries on deconsolidation		-	15,378
Gain on disposal of property, plant and equipment		24	3,979
Provision for doubtful trade and other receivables		(3,513)	(585)
Provision under corporate guarantees provided to banks		-	(5,225)
Write back of provision under corporate guarantees provided to banks		-	24,273
Gain on discharge of bank indebtedness	5	34,527	-
Profit from operations		26,533	31,943
Share of results of an associate		-	32
Finance costs	6	(9,016)	(19,152)
Profit from ordinary activities before taxation	6	17,517	12,823
Taxation	7	-	6
Profit from ordinary activities		17,517	12,829
Minority interests		1,287	301
Profit for the period		18,804	13,130
Earnings per share	8	HK6.1 cents	HK4.2 cents