

**FOUNDATION GROUP LIMITED** (Stock Code: 1182)**INTERIM RESULTS**

The board of directors (the "Board" or "Directors") of Foundation Group Limited (the "Company") presents the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2004 (the "Period") together with comparative figures for the corresponding period in 2003 as follows:

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

For the six months ended 30 September 2004

	Note	Unaudited Six months ended 30 September	
		2004 HK\$'000	2003 HK\$'000
Turnover		87,970	23,075
Direct operating costs		(1,628)	(17,624)
Costs of sales		(65,875)	(644)
		<b>20,467</b>	4,807
Other revenue		1,893	642
Selling and distribution costs		(18,098)	(155)
Administrative expenses		(11,433)	(8,763)
Loss from operations	4	(7,171)	(3,469)
Finance costs		(663)	(1,461)
Amortisation of goodwill		(921)	(711)
Gain on disposal of subsidiaries		21,574	-
Impairment loss recognised in relation to the goodwill arising on acquisition of associates		(1,635)	-
Interest in an associate written off		-	(22)
Provision for loan receivable		(459)	-
Share of results of associates		(1)	121
Profit/(Loss) from ordinary activities before taxation		10,724	(5,542)
Taxation	5	-	(402)
Profit/(Loss) before minority interests		10,724	(5,944)
Minority interests		(35)	155
Net profit/(loss) for the period		10,689	(5,789)
Earnings/(Loss) per share – basic	6	2.93 cents	(2.93) cents
– diluted	6	N/A	N/A