

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2004

The board of directors (the “Directors”) of SMI Corporation Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2004, together with comparative figures for the corresponding period in 2003. The interim results have been reviewed by its auditors, Deloitte Touche Tohmatsu, in accordance with the Statement of Auditing Standards No. 700 “Engagements to Review Interim Financial Reports” issued by the Hong Kong Institute of Certified Public Accountants, and the Audit Committee of the Company.

### CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2004

	Notes	Six months ended 30 September	
		2004 HK\$'000 (unaudited)	2003 HK\$'000 (unaudited)
Turnover	3	65,771	39,733
Cost of sales		(42,816)	(13,762)
Direct expenses		(22,563)	(25,548)
		392	423
Other operating income		1,069	4,315
Unrealised (loss) gain on other investments		(12,209)	15
Distribution costs		(605)	(353)
Administrative expenses		(23,260)	(24,428)
Reversal of allowances for doubtful loans and interest receivables, net		521	18,909
Allowance for consideration receivable on disposal of interest in an associate		(2,205)	(3,380)
Impairment loss recognised in respect of investments in securities		-	(12,001)
Surplus arising on revaluation of investment properties		2,620	-
Loss from operations	4	(33,677)	(16,500)
Finance costs	5	(1,866)	(3,919)
Loss on settlement of investments in debt securities		(994)	-
(Loss) gain on dilution/disposal of interests in subsidiaries		(212)	8,806
Allowances for amounts due from jointly controlled entities		(1,978)	(809)
Allowances for amounts due from associates		(2,959)	(1,151)
Share of results of associates		(798)	(511)
Share of results of jointly controlled entities		(1,000)	(465)
Loss before taxation		(43,484)	(14,549)
Taxation	6	(16)	(484)
Loss before minority interests		(43,500)	(15,033)
Minority interests		13	76
Net loss for the period		(43,487)	(14,957)
Loss per ordinary share – Basic	7	HK\$(0.140)	HK\$(0.089)