

The Board of Directors (the “Board”) of China HealthCare Holdings Limited (the “Company”) would like to present the unaudited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2004. These interim financial statements have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2004

	Notes	For the six months ended 30 September	
		2004 (Unaudited) HK\$'000	2003 (Unaudited) HK\$'000
Turnover	3	28,819	133,228
Cost of sales		(36,392)	(130,688)
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Gross (loss)/profit		(7,573)	2,540
Other operating income		79	212
Distribution costs		(190)	–
Administrative expenses		(17,255)	(19,921)
Impairment losses recognised in respect of investments in securities		–	(1,822)
Amortisation of goodwill		(796)	–
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Loss from operations	4	(25,735)	(18,991)
Finance costs	5	(372)	(1,257)
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Loss before taxation		(26,107)	(20,248)
Taxation	6	–	–
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Loss before minority interests		(26,107)	(20,248)
Minority interests		471	–
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Net loss for the period attributable to shareholders		(25,636)	(20,248)
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Loss per share	8		
– Basic (HK\$)		(0.12)	(0.18)
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