



KANTONE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTERIM REPORT

For the six months ended 31 December 2004

FINANCIAL HIGHLIGHTS

- Total turnover of HK\$530 million, up 14%
- Net profit of HK\$127 million, up 130%
- Interim dividend of HK1 cents per share

SUMMARY OF GROUP RESULTS

The unaudited condensed consolidated interim results of Kantone Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended 31 December 2004 together with comparative figures for the corresponding period last year are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2004

		Six months ended 31 December	
	NOTES	2004 HK\$'000 (Unaudited)	2003 HK\$'000 (Unaudited)
Turnover	2	530,063	463,008
Cost of sales		(311,516)	(280,671)
Gross profit		218,547	182,337
Other operating income		2,992	4,481
Distribution costs		(24,296)	(33,280)
General and administrative expenses		(30,353)	(38,771)
Depreciation and amortisation	3	(34,914)	(51,812)
Research and development		(836)	(1,912)
Profit from operations		131,140	61,043
Finance costs		(3,531)	(5,672)
Profit before taxation		127,609	55,371
Taxation	4	(339)	(77)
Profit before minority interests		127,270	55,294
Minority interests		–	(18)
Net profit for the period		127,270	55,276
Dividends	5	23,083	13,326
Earnings per share – Basic	6	5.51 cents	2.49 cents