

The board of directors of China Nan Feng Group Limited (the “Company”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively known as the “Group”) for the six months ended 30 June 2005 (the “Period”) with comparative figures for the corresponding period in last year as set out below. The interim results have been reviewed by the Audit Committee.

## CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30 June	
		2005 (Unaudited) HK\$'000	Restated 2004 (Unaudited) HK\$'000
Turnover	4	21,412	12,965
Construction contract costs		(17,288)	(11,253)
Gross profit		4,124	1,712
Other revenue		202	4
Gain arising from debts discharged under Creditors' Scheme		–	100,306
Gain on deconsolidation of a subsidiary under winding-up Court order		–	50,235
Gain on disposal of a subsidiary	5	1,067	516
Depreciation		(205)	(276)
Provision for doubtful debts		–	(139)
Staff costs		(1,727)	(2,346)
Professional fees		(144)	(518)
Consultancy fees		(105)	(583)
Other operating expenses		(1,241)	(1,832)
Operating profit from operating activities		1,971	147,079
Finance costs	6	(186)	(811)
Profit before taxation		1,785	146,268
Taxation	8	(428)	(329)
Profit for the period		1,357	145,939
Attributable to:			
Equity holders of the parent		1,357	145,939
Minority interests		–	–
		1,357	145,939
Dividend	9	–	–
Earnings per share – Basic	10	0.16 cents	42.19 cents
– Diluted		N/A	N/A