

**INTERIM RESULTS**

The board (the "Board") of directors (the "Directors") of Shougang Concord Grand (Group) Limited (the "Company") hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2005. These interim results have been reviewed by the Company's audit committee and its auditors.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

FOR THE SIX MONTHS ENDED 30 JUNE 2005

		<b>Six months ended 30 June</b>	
	<i>Notes</i>	<b>2005 HK\$'000 (unaudited)</b>	2004 HK\$'000 (unaudited and restated)
Revenue	5	<b>12,802</b>	8,162
Cost of sales		<b>(13,124)</b>	–
Gross (loss) profit		<b>(322)</b>	8,162
Other operating income		<b>1,720</b>	369
Distribution costs		<b>(1,175)</b>	–
Administrative expenses		<b>(54,613)</b>	(9,812)
Gain (loss) arising from a change in fair value of investment properties		<b>10,743</b>	(7,550)
Finance costs	6	<b>(3,285)</b>	(973)
Share of result of a jointly controlled entity		<b>337</b>	(70,146)
Share of result of an associate		<b>(248)</b>	(5,853)
Gain on deemed disposal of an associate		–	115
Gain on disposal of an associate		–	189,210
Impairment loss on goodwill of interest in a jointly controlled entity		–	(22,471)
Impairment loss on goodwill arising from acquisition of a subsidiary	7	<b>(129,950)</b>	–
(Loss) profit before taxation	8	<b>(176,793)</b>	81,051
Taxation	9	<b>(501)</b>	999
Net (loss) profit for the period		<b>(177,294)</b>	82,050
Attributable to:			
Equity holders of the parent		<b>(176,972)</b>	82,050
Minority interest		<b>(322)</b>	–
		<b>(177,294)</b>	82,050
Dividend paid	10	–	374,740
(Loss) earnings per share	11		
Basic		<b>(HK16.4) cents</b>	HK9.0 cents
Diluted		<b>N/A</b>	HK8.7 cents