

The board of directors (the "Board") of Sanyuan Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2005.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2005

	Note	Six months ended 30 June 2005 HK\$'000 (Unaudited)	Six months ended 30 June 2004 HK\$'000 (Unaudited)
Turnover	3	465	560
Other income		63	102
Material cost for service income		(150)	(172)
Depreciation		(195)	(120)
Staff costs		(2,031)	(2,926)
Other operating expenses		(2,635)	(2,300)
Operating loss before provisions and other losses and gains		(4,483)	(4,856)
Holding (losses) gains on other investments		(36)	298
Profit on disposal of other investments		-	53
Reversal of losses of subsidiaries on deconsolidation	4	13,021	-
Gain on disposal of property, plant and equipment		-	24
Provision for doubtful trade and other receivables		-	(3,513)
Gain on forfeiture of deposits received	5	8,700	-
Gain on discharge of bank indebtedness		-	34,527
Profit from operations		17,202	26,533
Finance costs	6	(186)	(9,016)
Profit from ordinary activities before taxation	6	17,016	17,517
Taxation	7	-	-
Profit for the period		17,016	17,517
Attributable to:			
Shareholders of the Company		17,016	18,804
Minority interests		-	(1,287)
		17,016	17,517
Earnings per share	8	1.8 HK cents	6.1 HK cents