

The board of directors (the "Board") of China Water Affairs Group Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2005, together with the comparative figures for the corresponding period in 2004, as follows:

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Six months ended 30 September	
		2005 (unaudited) HK\$'000	2004 (unaudited) HK\$'000
	<i>Notes</i>		
Turnover	3	16,677	29,446
Cost of sales		(11,160)	(27,153)
Gross profit		5,517	2,293
Other revenue		5,560	99
Selling expenses		(52)	(246)
Administrative expenses		(8,718)	(5,112)
Other operating expenses		-	(4)
PROFIT/(LOSS) FROM OPERATIONS	4	2,307	(2,970)
Finance costs	5	(1,486)	(1,433)
Share of result of associates		-	(3,793)
PROFIT/(LOSS) BEFORE TAXATION		821	(8,196)
Taxation	6	2,264	-
PROFIT/(LOSS) FOR THE PERIOD		3,085	(8,196)
Attributable to:			
Equity holders of the Company		373	(8,189)
Minority interests		2,712	(7)
		3,085	(8,196)
EARNING/(LOSS) PER SHARE	7		
Basic		HK0.07 cents	HK(2.6) cents
Diluted		N/A	N/A