



# KANTONE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

## INTERIM REPORT

For the six months ended 31 December 2005

### FINANCIAL HIGHLIGHTS

- Total turnover was HK\$658 million, up 24%
- Profit attributable to equity holders was HK\$158 million, up 24%
- EBITDA was HK\$215 million, up 29%
- Profit before taxation (excluding HK\$25.9 million change in fair value of convertible bonds) was HK\$183 million, up 43%
- Interim dividend of HK1.1 cents per share

The directors of Kantone Holdings Limited (the “Company” or “Kantone”) are pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (together the “Group”) for the six months ended 31 December 2005 together with the comparative unaudited figures for the corresponding period last year as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2005

		<b>Six months ended</b>	
		<b>31 December</b>	
		<b>2005</b>	2004
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Turnover	4	<b>658,020</b>	530,063
Cost of sales		<b>(354,606)</b>	(311,516)
Gross profit		<b>303,414</b>	218,547
Other income		<b>6,596</b>	2,992
Distribution costs		<b>(25,925)</b>	(24,296)
General and administrative expenses		<b>(41,883)</b>	(30,353)
Depreciation and amortisation	5	<b>(55,011)</b>	(34,914)
Research and development		<b>(1,715)</b>	(836)
Change in fair value of convertible bonds carried at fair value through profit or loss		<b>(25,901)</b>	–
Finance costs		<b>(2,604)</b>	(3,531)
Profit before taxation		<b>156,971</b>	127,609
Taxation	6	<b>(268)</b>	(339)
Profit for the period		<b>156,703</b>	127,270
Attributable to:			
Equity holders of the Company		<b>157,742</b>	127,270
Minority interests		<b>(1,039)</b>	–
Profit for the period		<b>156,703</b>	127,270
Dividends	7	<b>29,780</b>	23,083
Earnings per share-Basic	8	<b>6.27 cents</b>	5.51 cents