

The board of directors (the “Board”) of Kiu Hung International Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2006.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June	
		2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000
REVENUE	3	33,291	20,299
Cost of sales		(23,419)	(15,347)
Gross profit		9,872	4,952
Other income	3	1,131	4,039
Distribution costs		(4,546)	(2,671)
Administrative expenses		(9,090)	(8,121)
Other operating expenses		(248)	(354)
OPERATING LOSS	4	(2,881)	(2,155)
Finance costs	5	(1,338)	(2,429)
Share of loss of a jointly controlled entity		–	(869)
Share of loss of an associate		–	(335)
LOSS BEFORE TAXATION		(4,219)	(5,788)
Taxation	6	(163)	(31)
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(4,382)	(5,819)
INTERIM DIVIDENDS	7	–	–
LOSS PER SHARE	8		
– Basic		HK(0.20) cent	HK(0.26) cent
– Diluted		N/A	N/A