



SOUTH CHINA INDUSTRIES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 413)

INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2006

UNAUDITED INTERIM RESULTS

The board of directors (the “Board”) of South China Industries Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2006 together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June	
		2006 Unaudited HK\$'000	2005 Unaudited HK\$'000
Revenue	2	1,582,582	1,484,864
Cost of sales		(1,512,192)	(1,399,103)
Gross profit		70,390	85,761
Other income and gains		12,212	8,738
Selling and distribution costs		(17,743)	(19,320)
Administrative expenses		(119,636)	(115,287)
Fair value gains on investment properties		–	40,734
Gain on disposal of investment properties		5,100	–
Gain on disposal of available-for-sale investments		1,067	20,938
Excess over the cost of business combinations		228,206	–
Profit from operations	2 & 3	179,596	21,564
Finance costs		(9,910)	(5,928)
Share of profits and losses of associates		(2,769)	2,077
Write-back of provision for advances to an associate		–	19,094
Profit before tax		166,917	36,807
Tax	4	(2,909)	(929)
Profit for the period		164,008	35,878
Attributable to:			
Equity holders of the Company		181,502	44,390
Minority interests		(17,494)	(8,512)
		164,008	35,878
Basic earnings per share attributable to ordinary equity holders of the Company	6	HK34.2 cents	HK8.4 cents