

**INTERIM RESULTS**

The Board of Directors of Shougang Concord Grand (Group) Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2006. These interim results have been reviewed by the Company's Audit Committee and its Auditors.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2006

	Notes	Six months ended 30 June	
		2006	2005
		HK\$'000	HK\$'000
		(unaudited)	(unaudited and restated)
Continuing operations			
Revenue	3	31,226	12,802
Cost of sales		(19,155)	(13,124)
Allowance for production work in progress		(2,999)	(17,114)
Gross profit (loss)		9,072	(17,436)
Other income		8,147	1,555
Distribution costs		(4,079)	(1,175)
Administrative expenses		(31,480)	(37,118)
Increase in fair value of investment properties		5,800	10,400
Decrease in fair value of derivative financial instruments		4,715	–
Finance costs	4	(5,059)	(3,285)
Share of result of a jointly controlled entity		723	337
Share of results of associates		(437)	(248)
Impairment loss on goodwill arising from acquisition of a subsidiary	5	–	(129,950)
Loss before taxation		(12,598)	(176,920)
Income tax expense	6	(130)	(501)
Loss for the period from continuing operations		(12,728)	(177,421)
Discontinued operation			
Profit for the period from discontinued operation	7(b)	20,352	127
Profit (loss) for the period	8	7,624	(177,294)
Attributable to:			
Equity holders of the parent		8,553	(176,972)
Minority interests		(929)	(322)
		7,624	(177,294)
Earnings (loss) per share			
From continuing and discontinued operations	10		
Basic		HK0.75 cents	(HK16.38) cents
From continuing operations			
Basic		(HK1.04) cents	(HK16.39) cents