

The board of directors (the “Board”) of Shang Hua Holdings Limited (the “Company”) presents herewith the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 31st December, 2006. The condensed consolidated financial statements have not been audited, but have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31ST DECEMBER, 2006 – UNAUDITED

	<i>Notes</i>	Six months ended	
		31.12.2006	31.12.2005
		HK\$'000	<i>HK\$'000</i>
Turnover	3	8,343	31,162
Cost of sales		(8,235)	(30,503)
Gross profit		108	659
Other operating income		723	308
Distribution costs		–	(72)
Administrative expenses		(1,920)	(3,346)
Loss before taxation		(1,089)	(2,451)
Income tax credit		51	–
Loss for the period to equity holders of the Company		<u>(1,038)</u>	<u>(2,451)</u>
Loss per share – basic	7	<u>(1.25 cents)</u>	<u>(2.98 cents)</u>