

#### **UNAUDITED CONSOLIDATED RESULTS**

The board of directors (the "Directors") of Chia Tai Enterprises International Limited (the "Company") announces the unaudited condensed consolidated profit and loss account of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2004 (the "Period") together with the comparative figures in 2003, as follows:

#### **Condensed Consolidated Profit and Loss Account**

Condensed Consolidated Front and Loss Account		Unau Six months en	
		2004	2003
	Notes	HK\$'000	HK\$'000
TURNOVER	2	400,277	112,084
Cost of sales		(357,931)	(98,823)
Gross profit		42,346	13,261
Loss on the disposal of investment properties		(427)	(16,632)
Other revenue		32,555	5,359
Selling and distribution costs		(75,484)	(27,485)
Administrative expenses		(74,215)	(29,498)
Other operating expenses			(99)
LOSS FROM OPERATING ACTIVITIES	2 & 3	(75,225)	(55,094)
Finance costs		(248)	-
Share of profits/(losses) of:			
Jointly controlled entities		9,752	7,973
Associates		3,897	(6,739)
LOSS BEFORE TAX		(61,824)	(53,860)
Tax	4	(1,693)	(1,226)
LOSS BEFORE MINORITY INTERESTS		(63,517)	(55,086)
Minority interests		13,742	9,008
NET LOSS FROM ORDINARY ACTIVITIES			
ATTRIBUTABLE TO SHAREHOLDERS		(49,775)	(46,078)
Accumulated losses at beginning of the Period		(452,400)	(517,951)
ACCUMULATED LOSSES AT END OF THE PERIOD		(502,175)	(564,029)
LOSS PER SHARE – HK Cent:	6		
Basic		(0.83)	(0.77)
Diluted		(0.77)	N/A



### **UNAUDITED CONSOLIDATED RESULTS (Continued)**

## **Condensed Consolidated Statement of Changes in Equity**

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					Exchange			
	Ordinary	Share R	Reorganization	General	equalization	Reserve	Accumulated	Total
	share	premium	reserve	reserve	reserve	fund	loss	equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1st January, 2004	119,932	931,688	105,567	-	(7,023)	20,716	(452,400)	718,480
Net loss for the Period	-	-	-	-	-	-	(49,775)	(49,775)
Exchange reserve arising from consolidation	-	-	-	-	317	-	-	317
Balance at 30th June, 2004	119,932	931,688	105,567		(6,706)	20,716	(502,175)	669,022
Balance at 1st January, 2003	119,932	931,688	105,567	137	1,000	20,716	(517,951)	661,089
Net loss for the six months ended 30th June, 2003 Exchange reserve arising from consolidation	- -	- -			2	- 	(46,078) 	(46,078)
Balance at 30th June, 2003	119,932	931,688	105,567	137	1,002	20,716	(564,029)	615,013



# **UNAUDITED CONSOLIDATED RESULTS (Continued)**

**Condensed Consolidated Balance Sheet** 

Notes	Condensed Consolidated Balance Sheet		Unaudited	۸۰۰ مانده ما
Notes				Audited
Non-CURRENT ASSETS   8   273,320   126,682			-	
NON-CURRENT ASSETS   S		Notes		
Fixed assets   8		Notes	1111.3 000	1110 000
Fixed assets   8   273,370   126,682   10   126,682   10   126,813   12   12   10   10   10   10   10   10	NON-CURRENT ASSETS			
Investment properties   26,813   26,000   20,638   23,030   23,030   257,896   249,607   257,896   249,607   257,896   257,896   257,896   257,896   257,896   257,896   257,279   253,956   357,279   253,957   253,9		8	273.320	126 682
Other non-current assets in jointly controlled entities in terests in jointly controlled entities         25,896 (249,607)           Interests in associates         257,896 (249,607)           R72,623 (782,598)         357,279           872,623 (782,598)         872,623 (782,598)           CURRENT ASSETS         116,126 (76,044)           Inventories         9 (4,655 (14,76)           Trade debtors         9 (4,655 (14,76)           Amounts due from related companies         718 (70,018 (14,77))           Amounts due from related companies         70,018 (14,77)           Cash and cash equivalents         219,835 (81,770)           CURRENT LIABILITIES         10 (219,207 (98,82))           Trade creditors and accrued expenses         204,181 (98,83)           Other creditors and accrued expenses         10 (219,207 (98,82))           Amounts due to related companies         3,133 (2,147 (98,880))           Bank Joans         11 (48,880) (191,161)           NET CURRENT ASSETS         196,016 (348,836)           TOTAL ASSETS LESS CURRENT LIABILITIES         1,068,639 (1,31,434)           NON-CURRENT LIABILITIES         1,068,639 (1,31,434)           NON-CURRENT LIABILITIES         211 (30,50,457)           Amounts due to ultimate holding company         30,637 (36,457)           Amounts due to offinities		O		
Interests in jointly controlled entities   257,896   249,607   100   1				
Interests in associates   293,956   357,279   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,598   872,623   782,698				
Section	The state of the s			
CURRENT ASSETS   Inventories   116,126   76,044   Trade debtors   9   4,655   1,476   380,707   Amounts due from associates   70,018				<del></del>
Inventories			872,623	782,598
Inventories	CHRRENT ACCETC			
Trade debtors         9         4,655         1,476           Other debtors, prepayments and deposits         260,065         380,707           Amounts due from related companies         718         -           Amounts due from associates         70,018         -           Cash and cash equivalents         219,835         81,770           CURRENT LIABILITIES           Trade creditors         10         219,207         90,582           Other creditors and accrued expenses         204,181         98,432           Amounts due to related companies         3,133         2,147           Bank loans         11         48,880         -           TOTAL ASSETS LESS CURRENT LIABILITIES         196,016         348.836           TOTAL ASSETS LESS CURRENT LIABILITIES         1,068,639         1,131,434           NON-CURRENT LIABILITIES         1,068,639         1,131,434           Amounts due to u ultimate holding company         211         305           Amounts due to minority shareholders of subsidiaries         36,457         35,900           Consideration payable for acquisition of an associate         269,784         269,783           Amounts due to jointly controlled entities         3,637         3,637			116 126	76.044
Other debtors, prepayments and deposits         260,065         380,707           Amounts due from related companies         718         -           Amounts due from associates         70,018         -           Cash and cash equivalents         219,835         81,770           CURRENT LIABILITIES         671,417         539,997           CURRENT creditors and accrued expenses         10         219,207         90,582           Other creditors and accrued expenses         204,181         98,432           Amounts due to related companies         3,133         2,147           Bank loans         11         48,880         -           475,401         191,161         191,161           NET CURRENT ASSETS         196,016         348,836           TOTAL ASSETS LESS CURRENT LIABILITIES         1,068,639         1,131,434           NON-CURRENT LIABILITIES         1,068,639         1,131,434           NON-CURRENT LIABILITIES         36,457         35,900           Amounts due to ultimate holding company         211         305           Amounts due to pointly controlled entities         36,457         35,900           Consideration payable for acquisition of an associate         269,784         269,784           Amounts due to jointly controlled ent		0		
Amounts due from related companies Amounts due from associates Cash and cash equivalents  CURRENT LIABILITIES Trade creditors 10 219,207 90,582 CURRENT Gred creditors 10 219,207 90,582 COther creditors and accrued expenses 204,181 98,432 Amounts due to related companies 11 48,880  475,401 191,161  NET CURRENT ASSETS 196,016 348,836  TOTAL ASSETS LESS CURRENT LIABILITIES 1,068,639 1,131,434  NON-CURRENT LIABILITIES Amounts due to ultimate holding company Amounts due to ultimate holding company Amounts due to innority shareholders of subsidiaries Consideration payable for acquisition of an associate Amounts due to jointly controlled entities 310,089 309,625  Minority interests 89,528 103,329  CAPITAL AND RESERVES Issued capital Reserves 1,051,265 1,050,948 Accumulated losses (502,175) (452,400)		9		
Amounts due from associates  Cash and cash equivalents  CURRENT LIABILITIES Trade creditors Tr			•	300,707
CURRENT LIABILITIES   10   219,207   90,582   70,000				_
CURRENT LIABILITIES   Trade creditors   10   219,207   90,582				81.770
CURRENT LIABILITIES         Trade creditors       10       219,207       90,582         Other creditors and accrued expenses       204,181       98,432         Amounts due to related companies       3,133       2,147         Bank loans       11       48,880       -         475,401       191,161         NET CURRENT ASSETS       196,016       348,836         TOTAL ASSETS LESS CURRENT LIABILITIES       1,068,639       1,131,434         NON-CURRENT LIABILITIES         Amounts due to ultimate holding company       211       305         Amounts due to minority shareholders of subsidiaries       36,457       35,900         Consideration payable for acquisition of an associate       269,784       269,783         Amounts due to jointly controlled entities       310,089       309,625         Minority interests       89,528       103,329         CAPITAL AND RESERVES         Issued capital       119,932       119,932         Reserves       1,051,265       1,050,948         Accumulated losses       (452,400)				
CURRENT LIABILITIES         Trade creditors       10       219,207       90,582         Other creditors and accrued expenses       204,181       98,432         Amounts due to related companies       3,133       2,147         Bank loans       11       48,880       -         475,401       191,161         NET CURRENT ASSETS       196,016       348,836         TOTAL ASSETS LESS CURRENT LIABILITIES       1,068,639       1,131,434         NON-CURRENT LIABILITIES         Amounts due to ultimate holding company       211       305         Amounts due to minority shareholders of subsidiaries       36,457       35,900         Consideration payable for acquisition of an associate       269,784       269,783         Amounts due to jointly controlled entities       310,089       309,625         Minority interests       89,528       103,329         CAPITAL AND RESERVES         Issued capital       119,932       119,932         Reserves       1,051,265       1,050,948         Accumulated losses       (452,400)			671.417	539.997
Trade creditors				
Other creditors and accrued expenses	CURRENT LIABILITIES			
Amounts due to related companies Bank loans  11  48,880  -  475,401  191,161  NET CURRENT ASSETS  196,016  348,836  TOTAL ASSETS LESS CURRENT LIABILITIES  NON-CURRENT LIABILITIES  Amounts due to ultimate holding company  Amounts due to ininority shareholders of subsidiaries  Consideration payable for acquisition of an associate  Amounts due to jointly controlled entities  3,637  3,637  3,637  309,625  Minority interests  89,528  103,329  CAPITAL AND RESERVES  Issued capital  Reserves  Accumulated losses  119,932		10	219,207	90,582
Bank loans	Other creditors and accrued expenses		204,181	98,432
A75,401	Amounts due to related companies		3,133	2,147
NET CURRENT ASSETS         196,016         348,836           TOTAL ASSETS LESS CURRENT LIABILITIES         1,068,639         1,131,434           NON-CURRENT LIABILITIES         211         305           Amounts due to ultimate holding company         211         305           Amounts due to minority shareholders of subsidiaries         36,457         35,900           Consideration payable for acquisition of an associate         269,784         269,783           Amounts due to jointly controlled entities         3,637         3,637           Minority interests         89,528         103,329           Minority interests         89,528         103,329           CAPITAL AND RESERVES         119,932         119,932         119,932           Issued capital         1,051,265         1,050,948           Accumulated losses         (502,175)         (452,400)	Bank loans	11	48,880	-
NET CURRENT ASSETS         196,016         348,836           TOTAL ASSETS LESS CURRENT LIABILITIES         1,068,639         1,131,434           NON-CURRENT LIABILITIES         211         305           Amounts due to ultimate holding company         211         305           Amounts due to minority shareholders of subsidiaries         36,457         35,900           Consideration payable for acquisition of an associate         269,784         269,783           Amounts due to jointly controlled entities         3,637         3,637           Minority interests         89,528         103,329           Minority interests         89,528         103,329           CAPITAL AND RESERVES         119,932         119,932         119,932           Issued capital         1,051,265         1,050,948           Accumulated losses         (502,175)         (452,400)				
TOTAL ASSETS LESS CURRENT LIABILITIES   1,068,639   1,131,434			475,401	191,161
TOTAL ASSETS LESS CURRENT LIABILITIES   1,068,639   1,131,434	NET CHRRENT ACCETS		106.016	240.026
NON-CURRENT LIABILITIES         Amounts due to ultimate holding company       211       305         Amounts due to minority shareholders of subsidiaries       36,457       35,900         Consideration payable for acquisition of an associate       269,784       269,783         Amounts due to jointly controlled entities       310,089       309,625         Minority interests       89,528       103,329         669,022       718,480         CAPITAL AND RESERVES       119,932       119,932         Issued capital       119,932       119,932         Reserves       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)	NEI CURRENI ASSEIS		190,010	
Amounts due to ultimate holding company       211       305         Amounts due to minority shareholders of subsidiaries       36,457       35,900         Consideration payable for acquisition of an associate       269,784       269,783         Amounts due to jointly controlled entities       3,637       3,637         Minority interests       89,528       103,329         CAPITAL AND RESERVES       669,022       718,480         Issued capital       119,932       119,932         Reserves       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)	TOTAL ASSETS LESS CURRENT LIABILITIES		1,068,639	1,131,434
Amounts due to ultimate holding company       211       305         Amounts due to minority shareholders of subsidiaries       36,457       35,900         Consideration payable for acquisition of an associate       269,784       269,783         Amounts due to jointly controlled entities       3,637       3,637         Minority interests       89,528       103,329         CAPITAL AND RESERVES       669,022       718,480         Issued capital       119,932       119,932         Reserves       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)	NON CUDDENT HARHITIES			
Amounts due to minority shareholders of subsidiaries       36,457       35,900         Consideration payable for acquisition of an associate       269,784       269,783         Amounts due to jointly controlled entities       3,637       3,637         Minority interests       89,528       103,329         CAPITAL AND RESERVES       669,022       718,480         Issued capital Reserves       119,932       119,932         Accumulated losses       1,051,265       1,050,948         (452,400)			211	305
Consideration payable for acquisition of an associate Amounts due to jointly controlled entities       269,784 3,637 3,637       269,783 3,637       3,637       3,637       3,637       3,637       309,625       309,625       103,329       669,022 718,480       718,480 <td< td=""><td></td><td></td><td></td><td></td></td<>				
Amounts due to jointly controlled entities       3,637       3,637         310,089       309,625         Minority interests       89,528       103,329         669,022       718,480         CAPITAL AND RESERVES       119,932       119,932         Issued capital Reserves       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)				
Minority interests       89,528       103,329         669,022       718,480         CAPITAL AND RESERVES       119,932       119,932       119,932         Issued capital       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)				
Minority interests       89,528       103,329         669,022       718,480         CAPITAL AND RESERVES       119,932       119,932       119,932         Issued capital       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)				
CAPITAL AND RESERVES       119,932       119,932       119,932         Issued capital       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)			310,089	309,625
CAPITAL AND RESERVES       119,932       119,932       119,932         Issued capital       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)	Minority interests		89.528	103.329
CAPITAL AND RESERVES         Issued capital       119,932       119,932         Reserves       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)	Thinlethy interests			
Issued capital       119,932       119,932         Reserves       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)			669,022	718,480
Issued capital       119,932       119,932         Reserves       1,051,265       1,050,948         Accumulated losses       (502,175)       (452,400)				<del>_</del>
Reserves 1,051,265 1,050,948 Accumulated losses (502,175) (452,400)			440.000	440.000
Accumulated losses (502,175) (452,400)				
<b>669,022</b> 718,480	Accumulated losses		(302,175)	(452,400)
716,460			660 022	71Q //Q0

### **UNAUDITED CONSOLIDATED RESULTS (Continued)**

#### **Condensed Consolidated Cash Flow Statement**

	Unaudited Six months ended 30th June	
	2004	2003
	HK\$'000	HK\$'000
NET CASH FROM (USED IN) OPERATING ACTIVITIES	121,731	(51,744)
INVESTING ACTIVITIES		
Purchase of fixed assets	(154,130)	(14,697)
Purchase of investment properties	(1,156)	_
Proceeds from disposal of equity interest in subsidiaries	121,145	_
Repayment from jointly controlled entities	-	53,977
Advance to associates	(348)	_
Partial payment for an acquisition	-	(12,565)
Proceeds from disposal of fixed assets	135	13
Proceeds from disposal of investment property	654	6,960
Interest received	1,635	2,201
Net cash (used in) from investing activities	(32,065)	35,889
FINANCING ACTIVITIES		
Interest paid	(248)	_
New bank loans	48,880	_
Advance from jointly-controlled entities	-	25,364
Repayment to a related company	-	(93,527)
Repayment to minority shareholders	(139)	_
Repayment to ultimate holding company	(94)	
Net cash from (used in) financing activities	48,399	(68,163)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	138,065	(84,018)
Cash and cash equivalents at beginning of the Period	81,770	331,882
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	219,835	247,864
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	165,121	30,402
Time deposits with original maturity of less		
than three months when acquired	54,714	217,462
	219,835	247,864