

**UNAUDITED CONSOLIDATED RESULTS**

The board of directors (the “Directors”) of Chia Tai Enterprises International Limited (the “Company”) announces the unaudited condensed consolidated income statement of the Company and its subsidiaries (the “Group”) for the six months ended 30th June, 2005 (the “Period”) together with the comparative figures in 2004, as follows:

Condensed Consolidated Income Statement

		Unaudited	
		Six months ended 30th June,	
	Notes	2005	2004
		HK\$'000	HK\$'000
TURNOVER	2	870,609	396,905
Cost of sales		(784,491)	(357,931)
Gross profit		86,118	38,974
Promotion and services income		81,423	21,546
Gross rental income from leasing of shop premises		13,292	3,372
		180,833	63,892
Loss on the disposal of investment properties		–	(427)
Other income		14,530	11,009
Distribution and store operating costs		(191,453)	(75,484)
Administrative expenses		(167,281)	(74,215)
LOSS FROM OPERATIONS	2 & 3	(163,371)	(75,225)
Finance costs		(6,213)	(248)
Share of profits/(losses) of:			
Jointly controlled entities		14,342	8,289
Associates		(16,234)	3,897
LOSS BEFORE TAX		(171,476)	(63,287)
Tax	4	–	(230)
LOSS FOR THE PERIOD		(171,476)	(63,517)
ATTRIBUTABLE TO:			
Company's shareholders		(162,969)	(49,775)
Minority interests		(8,507)	(13,742)
		(171,476)	(63,517)
LOSS PER SHARE – HK Cent:	6		
Basic loss per share for loss attributable to Company's shareholders		(2.72)	(0.83)



UNAUDITED CONSOLIDATED RESULTS (Continued) **Condensed Consolidated Statement of Changes in Equity**

	Unaudited Attributable to the Company's shareholders							Minority interests	Total
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Reorganization reserve HK\$'000	Exchange reserve HK\$'000	Reserve fund HK\$'000	Accumulated losses HK\$'000		
Balance at 1st January, 2005	119,932	931,688	-	105,567	(7,255)	20,716	(593,542)	577,106	85,977
Effect of changes in accounting policy	-	-	-	-	-	-	119,976	119,976	-
Balance at 1st January, 2005, as restated	119,932	931,688	-	105,567	(7,255)	20,716	(473,566)	697,082	85,977
Recognition of share-based payment under the share option scheme	-	-	50,675	-	-	-	-	50,675	-
Net loss for the Period	-	-	-	-	-	-	(162,969)	(162,969)	(8,507)
Exchange reserve arising from consolidation	-	-	-	-	(717)	-	-	(717)	-
Balance at 30th June, 2005	119,932	931,688	50,675	105,567	(7,972)	20,716	(636,535)	584,071	77,470
Balance at 1st January, 2004	119,932	931,688	-	105,567	(7,023)	20,716	(452,400)	718,480	103,329
Net loss for the six months ended 30th June, 2004	-	-	-	-	-	-	(49,775)	(49,775)	(13,742)
Exchange reserve arising from consolidation	-	-	-	-	317	-	-	317	(59)
Balance at 30th June, 2004	119,932	931,688	-	105,567	(6,706)	20,716	(502,175)	669,022	89,528

**UNAUDITED CONSOLIDATED RESULTS (Continued)****Condensed Consolidated Balance Sheet**

	Notes	Unaudited 30th June, 2005 HK\$'000	Audited 31st December, 2004 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	8	530,184	449,051
Investment properties		26,978	26,978
Other non-current assets		9,950	10,550
Goodwill		1,416	1,416
Interests in a jointly controlled entity		285,941	271,600
Interests in associates		382,666	279,388
		1,237,135	1,038,983
CURRENT ASSETS			
Inventories		234,529	220,131
Trade, other receivables and deposits	9	144,856	147,400
Amounts due from an associate		–	22,769
Restricted bank deposits		11,166	10,041
Bank balances and cash		125,397	131,669
		515,948	532,010
CURRENT LIABILITIES			
Trade and other payables	10	619,500	562,363
Income tax payable		1,306	1,667
Consideration payable for acquisition of an associate due within one year		97,260	48,630
Amounts due to related companies		4,383	12,413
Amounts due to an associate		132,909	–
Short-term bank borrowings – unsecured	11	18,800	18,800
		874,158	643,873
NET CURRENT LIABILITIES		(358,210)	(111,863)
TOTAL ASSETS LESS CURRENT LIABILITIES		878,925	927,120
NON-CURRENT LIABILITIES			
Amounts due to ultimate holding company		–	211
Amounts due to minority shareholders of a subsidiary		35,896	35,896
Consideration payable for acquisition of an associate due after one year		181,488	227,930
		217,384	264,037
		661,541	663,083
CAPITAL AND RESERVES			
Share capital		119,932	119,932
Reserves		464,139	457,174
Equity attributable to the Company's shareholders		584,071	577,106
Minority interests		77,470	85,977
Total Equity		661,541	663,083



UNAUDITED CONSOLIDATED RESULTS (Continued)

Condensed Consolidated Cash Flow Statement

	Unaudited	
	Six months ended 30th June,	
	2005	2004
	HK\$'000	HK\$'000
Net cash (used in) from operating activities	(46,720)	121,731
Net cash from (used in) investing activities	43,560	(32,065)
Net cash (used in) from financing activities	(3,112)	48,399
Net (decrease) increase in cash and cash equivalents	(6,272)	138,065
Cash and cash equivalents at beginning of the Period	131,669	81,770
Cash and cash equivalents at end of the Period	125,397	219,835