

The Board of Directors of Sun Innovation Holdings Limited (the "Company") presents the unaudited interim financial reports for the six months ended 30 June 2005 of the Company and its subsidiaries ("the Group") together with the comparative figures in 2004.

CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED FOR THE SIX MONTHS ENDED 30 JUNE 2005

		Six months ended 30 June	
		2005	2004
	Note	HK\$'000	HK\$'000
			As restated
Turnover	4	25,803	33,097
Cost of sales		(15,231)	(18,021)
Gross profit		10,572	15,076
Other operating income		199	996
Selling and distribution expenses		(7,414)	(3,647)
Administrative and operating expenses		(22,343)	(29,202)
Impairment of goodwill		–	(27,978)
Fair value changes on investment properties	9	(1,320)	–
Operating loss	5	(20,306)	(44,755)
Finance costs	6	(2,468)	(2,628)
Loss on disposal of discontinued operations relating to fire protection and suppression business in Mainland China		–	(1,006)
Loss before taxation		(22,774)	(48,389)
Tax credit	7	–	(4)
Loss for the period		(22,774)	(48,393)
Attributable to:			
Equity holders of the parent		(22,830)	(47,344)
Minority interests		56	(1,049)
		(22,774)	(48,393)
Loss per share	8		
From continuing operations:			
– Basic		0.4 cents	1.0 cents
– Diluted		0.4 cents	1.0 cents
From continuing and discontinued operations:			
– Basic		0.4 cents	1.0 cents
– Diluted		0.4 cents	1.0 cents