



**CIL HOLDINGS LIMITED**

**華建控股有限公司 \***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 479)

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2005**

Unaudited financial statements of the Company and its subsidiaries for the year ended 30 June 2005 are now published prior to the audited final results, release date of which will be announced separately.

Shareholders and investors are reminded to exercise caution in interpreting the unaudited financial statements of the Group as the information therein may differ materially from the audited final results and in such event, full particulars of, and reasons for, the difference will be set out in the preliminary announcement of audited results for the financial year.

Further to the announcements of the CIL Holdings Limited (the “Company”) dated 3 November 2005, 9 January 2006, 28 March 2006, 17 May 2006, 7 June 2006 and 7 December 2006, unaudited financial statements of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2005 are now published prior to the audited final results, release date of which will be announced separately.

# CONDENSED CONSOLIDATED INCOME STATEMENT

		2005 Unaudited HK\$'000	2004 Audited HK\$'000
	Note		
Turnover	2	121,287	73,411
Cost of sales and services provided		(117,448)	(68,495)
Gross profit		3,839	4,916
Other revenue and other income		26,357	2,803
Gain arising from disposal of a jointly controlled entity		–	44,307
Loss arising from de-consolidation of a winding up subsidiary		–	(37,961)
Provision for impairment loss on investment in associates		–	(47,000)
Amount recovered from litigation	3	20,266	–
General and administrative expenses		(39,920)	(19,169)
Profit/(loss) from operations		10,542	(52,104)
Finance costs		(1,237)	(970)
Profit/(loss) before taxation		9,305	(53,074)
Taxation	4	(44)	–
Profit/(loss) after taxation		9,261	(53,074)
Minority interests		–	–
Profit/(loss) attributable to shareholders		9,261	(53,074)
Earnings/(loss) per share			
– Basic	5	0.15 cents	(0.86 cents)

# CONDENSED CONSOLIDATED BALANCE SHEET

	2005 Unaudited HK\$'000	2004 Audited HK\$'000
<b>Non-current assets</b>		
Property, plant and equipment	488	444
Investments in securities	10,056	10,056
	<u>10,544</u>	<u>10,500</u>
<b>Current assets</b>		
Prepayments, deposits and other receivables	114,985	117,317
Inventories	9,341	14,131
Investments in securities	27	27
Accounts receivable	48,486	3,652
Cash at bank and in hand	1,044	1,658
	<u>173,883</u>	<u>136,785</u>
<b>Current liabilities</b>		
Accounts and bills payable	20,662	20,253
Accruals, other payable and deposits received	49,826	23,786
Interest payables of unsecured borrowings	18,627	18,627
Due to winding up subsidiaries	38,228	38,228
Interest-bearing borrowings	29,131	31,478
Due to director	15,027	11,248
	<u>171,501</u>	<u>143,620</u>
<b>Net current assets/(liabilities)</b>	<u>2,382</u>	<u>(6,835)</u>
<b>Total net assets/(liabilities)</b>	<u><u>12,926</u></u>	<u><u>3,665</u></u>
<b>Capital and reserves</b>		
Share capital	61,749	61,749
Reserves	(48,823)	(58,084)
	<u>12,926</u>	<u>3,665</u>

Notes:

## 1. BASIS OF PREPARATION

The unaudited financial statements are prepared from the management accounts of the Group made up to 30 June 2005.

The accounting policies and methods of computation used in the preparation of these unaudited financial statements are consistent with those used in annual financial statements for the year ended 30 June 2004.

## 2. TURNOVER AND SEGMENTAL INFORMATION

Analysis of turnover and contribution to loss from operations by principal activities and geographical locations is as follows:

	Turnover		Contribution to profit/(loss) from operations	
	2005	2004	2005	2004
	Unaudited	Audited	Unaudited	Audited
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
By principal activities:				
Trading of multi-media and communication products	<u>121,287</u>	<u>73,411</u>	<u>3,839</u>	<u>4,916</u>
	<u><u>121,287</u></u>	<u><u>73,411</u></u>	<u><u>3,839</u></u>	<u><u>4,916</u></u>
Other net group income/ (expenses)			<u>5,466</u>	<u>(57,990)</u>
Taxation			<u>(44)</u>	<u>–</u>
			<u><u>9,261</u></u>	<u><u>(53,074)</u></u>
By geographical locations:				
The Hong Kong Special Administrative Region	<u>49,290</u>	<u>29,208</u>	<u>1,527</u>	<u>2,013</u>
Other parts in the People's Republic of China ("PRC")	<u>71,997</u>	<u>44,203</u>	<u>2,312</u>	<u>2,903</u>
	<u><u>121,287</u></u>	<u><u>73,411</u></u>	<u><u>3,839</u></u>	<u><u>4,916</u></u>
Other net group income/ (expenses)			<u>5,466</u>	<u>(57,990)</u>
Taxation			<u>(44)</u>	<u>–</u>
			<u><u>9,261</u></u>	<u><u>(53,074)</u></u>

### **3. AMOUNT RECOVERED FROM LITIGATION**

The amount is a judgment debt recovered from the Bank of China, Hainan Branch (the “Bank”) arising from the legal action taken by the Group against the Bank and a former joint venture partner of Sanya Golden Coast Ltd. (“SGC”). SGC, in which the Group had a 40% interest, was established in 1993 for the purpose of developing a site in the Hainan Island. In 1994, the Group decided to withdraw from the investment and entered into an agreement (the “Disposal Agreement”) with one partner of the project, which was a PRC company (the “PRC Partner”), to dispose of the Group’s equity stake in SGC, at cost in the amount of US\$2,595,597 (the “Consideration”). Among other terms and conditions in the Disposal Agreement, the Consideration payable by the PRC Partner was guaranteed by the Bank (the “Guarantee”). In 1995, the Bank withdrew the Guarantee without the Group’s consent. Since 1996, ongoing legal action has been taken by the Group against the PRC partner and the Bank for recovery of the Consideration. The PRC partner was wound up in 1997. Due to uncertain outcome of the litigation, full provision of the Consideration was made in the financial statements for the year ended 30 June 1999. In August 2004, the Supreme People’s Court of the People’s Republic of China finally handed down a verdict upholding the judgment of the previous hearings that the Bank was liable for the Consideration together with accumulated financial interest. Execution of the court order was completed during the financial year and a total final sum of approximately RMB 44,992,000 was received by the Group, out of which approximately RMB 21,482,000 was the principal sum and the balance of approximately RMB 23,510,000 was accumulated financial interest.

### **4. TAXATION**

The amount represents PRC tax expenses. Hong Kong profits tax has not been provided in the unaudited financial statements as the Group did not derive any assessable profits during the year.

### **5. EARNINGS/(LOSS) PER SHARE**

Calculation of basic earnings per share for the year ended 30 June 2005 is based on the profit attributable to shareholders of approximately HK\$9,261,000 (2004: loss of approximately HK\$53,074,000) and on 6,174,916,922 (2004: 6,174,916,922) ordinary shares in issue during the year.

**Shareholders and investors are reminded to exercise caution in interpreting the unaudited financial statements of the Group as the information therein may differ materially from the audited final results and in such event, full particulars of, and reasons for, the difference will be set out in the preliminary announcement of audited results for the financial year.**

By Order of the Board  
*Chairman*  
**Ke Jun Xiang**

Hong Kong, 26 July 2007

*As at the date of this announcement, the executive directors of the Company are Mr. Ke Jun Xiang (Chairman), Mr. Ho Pui Tsun, Peter (Deputy Chairman), Mr. Shao Wei Hong and Mr. Hu Yeshan. The non-executive director is Mr. Li Qinyi and the independent non-executive directors are Mr. Wong Kwok Tai, Wytan and Mr. Kwok Yam Sheung.*

*\* For identification purpose only.*

Please also refer to the published version of this announcement in The Standard.