

Condensed Consolidated Income Statement

INTERIM RESULTS

The board of directors (the "Board") of Cosmos Machinery Enterprises Limited (the "Company") announces that the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2006 with comparative figures for the corresponding period in 2005 are as follows:

	<i>Notes</i>	Six months ended 30th June,	
		2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000
Turnover	3	919,205	778,744
Cost of sales		(751,485)	(616,174)
Gross profit		167,720	162,570
Other income and gains, net		8,018	9,086
Distribution costs		(47,539)	(46,368)
Administrative expenses		(93,143)	(89,558)
Impairment losses for bad and doubtful debts		(325)	(280)
Profit from operations	4	34,731	35,450
Finance costs		(13,590)	(11,212)
Investment income		3,269	377
Loss on disposal of an associate		–	(163)
Share of results of associates		16,178	10,960
Profit before taxation		40,588	35,412
Taxation	5	5,374	5,432
Profit for the period		35,214	29,980
Attributable to:			
Equity holders of the Company		22,332	18,630
Minority interests		12,882	11,350
		35,214	29,980
Basic earnings per share for profit attributable to the equity holders of the Company during the period	6	3.16 cents	2.64 cents
Proposed interim dividend (HK\$0.005 per share)		3,538	–