

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SECOND INTERIM RESULTS

The Board of Directors (the "Board") of Hikari Tsushin International Limited (the "Company") is pleased to present the unaudited second interim results of the Company and its subsidiaries (collectively the "Group") for the twelve months ended 31 March 2001, together with the comparative figures. These interim financial statements have not been audited, but were reviewed by the Company's audit committee and external auditors, Messrs Ernst & Young, certified public accountants in Hong Kong.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		(Unaudited) For the twelve months ended 31 March 2001 <i>HK\$'000</i>	(Audited) For the year ended 31 March 2000 <i>HK\$'000</i>	(Unaudited) For the six months ended 31 March 2001 <i>HK\$'000</i>	(Unaudited) For the six months ended 31 March 2000 <i>HK\$'000</i>
TURNOVER	2	595,005	493,149	296,114	222,350
Cost of sales		<u>(502,816)</u>	<u>(450,822)</u>	<u>(242,138)</u>	<u>(210,665)</u>
Gross profit		92,189	42,327	53,976	11,685
Other revenue	3	70,885	18,312	31,975	10,520
Selling and distribution costs		<u>(29,175)</u>	<u>(30,510)</u>	<u>(10,110)</u>	<u>(17,667)</u>
Administrative expenses		<u>(113,076)</u>	<u>(77,667)</u>	<u>(65,302)</u>	<u>(39,745)</u>
Other expenses		–	<u>(58,607)</u>	–	<u>(58,607)</u>
PROFIT/(LOSS) FROM OPERATING ACTIVITIES		<u>20,823</u>	<u>(106,145)</u>	<u>10,539</u>	<u>(93,814)</u>
Finance costs		<u>(6,892)</u>	<u>(8,192)</u>	<u>(3,404)</u>	<u>(4,261)</u>
PROFIT/(LOSS) BEFORE TAX	4	<u>13,931</u>	<u>(114,337)</u>	<u>7,135</u>	<u>(98,075)</u>
Tax	5	<u>(2,804)</u>	<u>(6,822)</u>	<u>(1,370)</u>	<u>(5,303)</u>
PROFIT/(LOSS) BEFORE MINORITY INTERESTS		<u>11,127</u>	<u>(121,159)</u>	<u>5,765</u>	<u>(103,378)</u>
Minority interests		<u>2,768</u>	<u>6,778</u>	<u>1,780</u>	<u>4,095</u>
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		<u>13,895</u>	<u>(114,381)</u>	<u>7,545</u>	<u>(99,283)</u>
EARNINGS/(LOSS) PER SHARE	6				
Basic		<u>0.30 cent</u>	<u>(9.02 cents)</u>	<u>0.16 cent</u>	<u>(6.31 cents)</u>
Diluted		<u>0.27 cent</u>	<u>N/A</u>	<u>0.15 cent</u>	<u>N/A</u>

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

	(Unaudited) For the twelve months ended 31 March 2001 <i>HK\$'000</i>	(Audited) For the year ended 31 March 2000 <i>HK\$'000</i>
Changes in fair value of long-term investments	<u>(144,587)</u>	–
Exchange differences on translation of the financial statements of foreign entities	<u>(3)</u>	<u>(23)</u>
Net losses not recognised in the profit and loss account	<u>(144,590)</u>	<u>(23)</u>
Net profit/(loss) from ordinary activities attributable to shareholders	<u>13,895</u>	<u>(114,381)</u>
Total recognised losses	<u>(130,695)</u>	<u>(114,404)</u>