

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2001

The Board of directors ("Board") of China Logistics Group Limited ("the Company") announces that the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th September 2001, together with the comparative unaudited figures for the corresponding period in the previous year, are as follows:

CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT

For the Six Months Ended 30th September 2001

	Note	Six months ended 30th September	
		2001 (Audited) HK\$'000	2000 (Unaudited) HK\$'000
Turnover	3	101,900	111,566
Cost of sales		(82,169)	(59,827)
Gross profit		19,731	51,739
Other revenues		263	700
Distribution costs		(2,250)	(3,013)
Administrative expenses		(26,614)	(26,548)
Other operating expenses, net		(58,074)	(14,802)
Impairment of intangible asset	7	(428,999)	–
Provision for CNCC Acquisition	10(b)	(232,620)	–
Provision for doubtful debts	10(c)	(375,238)	–
Operating (loss)/profit	4	(1,103,801)	8,076
Finance costs		(8,955)	(7,421)
Share of (losses)/profits of associates		(5,552)	2,224
(Loss)/profit before taxation		(1,118,308)	2,879
Taxation	5	(1)	(422)
(Loss)/profit after taxation		(1,118,309)	2,457
Minority interests		(4,639)	294
(Loss)/profit attributable to shareholders		(1,122,948)	2,751
(Loss)/earnings per share		HK cents	HK cents
Basic	6	(76.98)	0.19
Diluted	6	N/A	0.17