

FORTUNA INTERNATIONAL HOLDINGS LIMITED (STOCK CODE: 530)

The board of directors (the “Board” or “Directors”) of Fortuna International Holdings Limited (the “Company”) announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2005 (“Period”) together with comparative figures for the corresponding period in 2004 as set out below.

These interim financial statements have not been audited nor reviewed by the Company’s auditors, Moore Stephens, but have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Six months ended 30 June	
		2005	2004
		(Unaudited)	(Unaudited)
			(Restated)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
TURNOVER	4	95,030	54,357
Cost of sales		<u>(91,112)</u>	<u>(47,353)</u>
Gross profit		3,918	7,004
Gain on disposal of investment properties		6,184	–
Dividend income		280	–
Rental income from investment properties		552	–
Other revenue		2,273	1,398
Selling and distribution expenses		(183)	(1,410)
Administrative expenses		(16,983)	(15,358)
Other operating expenses		(3)	(581)
Gain on disposal of subsidiaries	9	2,804	1,446
Valuation gain on investment properties		1,865	–
Impairment losses of goodwill arising from acquisitions of subsidiaries		(54,238)	–
Amortisation of goodwill arising from acquisitions of subsidiaries		<u>–</u>	<u>(8,262)</u>
LOSS FROM OPERATING ACTIVITIES	4 & 5	(53,531)	(15,763)
Finance costs		(1,809)	(1,723)
Share of results of associates		<u>–</u>	<u>6,429</u>
LOSS BEFORE TAX		(55,340)	(11,057)
Tax	6	(954)	(282)
LOSS AFTER TAXATION		<u>(56,294)</u>	<u>(11,339)</u>
ATTRIBUTABLE TO:			
Equity holders of the parent		(56,794)	(11,358)
Minority interest		(500)	(19)
		<u>(56,294)</u>	<u>(11,339)</u>
LOSS PER SHARE	7		
– Basic		<u>(0.43) cents</u>	<u>(0.12) cents</u>
– Diluted		<u>N/A</u>	<u>N/A</u>