

INTERIM FINANCIAL REPORT

The Board of Directors (the “Board”) of Heritage International Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2005 together with the comparative figures. These interim financial statements have not been audited, but have been reviewed by the Company’s audit committee.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months
ended 30 September

	Notes	2005 (Unaudited) HK\$'000	2004 (Unaudited) HK\$'000 (Restated)
TURNOVER	4	111,458	25,622
Cost of sales		<u>(147,233)</u>	<u>(12,234)</u>
Gross profit/(loss)		(35,775)	13,388
Other revenue and gains		1,634	994
Gain arising from changes in fair values of investment properties		7,850	–
Gain/(loss) on disposal of a subsidiary		118	(532)
General and administrative expenses		(8,806)	(6,072)
Unrealised losses on revaluation of investments at fair value through profit or loss, net		(28,772)	(33,860)
Other operating income/(expenses), net		(2,957)	1,304
Finance costs	5	<u>(5,391)</u>	<u>(2,872)</u>
LOSS BEFORE TAX	6	(72,099)	(27,650)
Tax	7	<u>(1,374)</u>	–
LOSS FOR THE PERIOD		<u>(73,473)</u>	<u>(27,650)</u>
ATTRIBUTABLE TO:			
Equity holders of the parent		<u>(73,473)</u>	<u>(27,650)</u>
LOSS PER SHARE	8		
– Basic		<u>HK4.95 cents</u>	<u>HK7.33 cents</u>
– Diluted		<u>N/A</u>	<u>N/A</u>