## **INTERIM FINANCIAL REPORT**

The Board of Directors (the "Board") of Heritage International Holdings Limited (the "Company") is pleased to present the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2006 together with the comparative figures. These interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September

Other expenses       (47,018)       (2,957)         Finance costs       4       (15,088)       (5,391)         LOSS BEFORE TAX       5       (204,423)       (72,099)			ended 30 September		
HK\$'000					
REVENUE 3 248,658 111,458  Cost of sales and carrying amount of equity investments sold (211,101) (147,233)  Gross profit/(loss) 37,557 (35,775)  Other income and gains 4,334 1,634  Gains/(losses) arising from changes in fair values of investment properties Fair value losses on equity investments at fair value through profit or loss, net Gain/(loss) on disposal of a subsidiary (362) 118  General and administrative expenses (13,320) (8,806) Other expenses (47,018) (2,957) Finance costs 4 (15,088) (5,391)  LOSS BEFORE TAX 5 (204,423) (72,099)  Tax 6 1,523 (1,374)  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (Restated))  Basic HK2.11 cents HK4.81 cents		Notes		,	
Cost of sales and carrying amount of equity investments sold  Gross profit/(loss)  Other income and gains Gains/(losses) arising from changes in fair values of investment properties Fair value losses on equity investments at fair value through profit or loss, net Gain/(loss) on disposal of a subsidiary General and administrative expenses Other expenses Finance costs  4  Coss BEFORE TAX  5  Congliny Holders of The Company  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY  7  (Restated)  HK2.11 cents  (147,033)  (147,233)  (147,233)  (147,043)  (15,084)  (161,826) (28,772) (8,806) (13,320) (8,806) (13,320) (8,806) (15,088) (5,391)  (72,099)  (73,473)			HK\$'000	HK\$'000	
equity investments sold  Gross profit/(loss)  Gross profit/(loss)  Other income and gains  Gains/(losses) arising from changes in fair values of investment properties  Fair value losses on equity investments  at fair value through profit or loss, net  Gain/(loss) on disposal of a subsidiary  General and administrative expenses  Other expenses  Finance costs  4  COSS BEFORE TAX  5  CO44,423)  CO20,900)  CO3,473)  LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS  OF THE COMPANY  PASSO  A 4,334  1,634  (8,700)  7,850  (8,700)  7,850  (18,26)  (28,772)  (18,26)  (18,26)  (28,772)  (18,26)  (19,320)  (13,320)  (204,423)  (72,099)  Tax  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY  (202,900)  (73,473)  HK2.11 cents  HK4.81 cents	REVENUE	3	248,658	111,458	
Gross profit/(loss)  Other income and gains Gains/(losses) arising from changes in fair values of investment properties Fair value losses on equity investments at fair value through profit or loss, net Gain/(loss) on disposal of a subsidiary General and administrative expenses Other expenses Finance costs  Inance costs  In	Cost of sales and carrying amount of				
Other income and gains Gains/(losses) arising from changes in fair values of investment properties Fair value losses on equity investments at fair value through profit or loss, net Gain/(loss) on disposal of a subsidiary General and administrative expenses Other expenses Finance costs  Inante Costs  Cost Per Share Attributable to Equity Holders Of The Company  Cost Per Share Attributable to Ordinary Equity Holders Of The Company  Pasic  A,334  I,634  I,64  I,61,80  I,61,90  I,61,80  I,61,80  I,61,90  I,61,80  I,61,90  I,61,9	equity investments sold		(211,101)	(147,233)	
Gains/(losses) arising from changes in fair values of investment properties Fair value losses on equity investments at fair value through profit or loss, net Gain/(loss) on disposal of a subsidiary General and administrative expenses Other expenses Finance costs  IOSS BEFORE TAX  IOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY  Basic  (8,700) 7,850 (161,826) (28,772) (362) (118 (362) (118 (362) (118 (362) (13,320) (8,806) (13,320) (8,806) (15,088) (5,391) (15,088) (5,391) (72,099) (73,473) (1,374) (202,900) (73,473) (Restated)  HK2.11 cents	Gross profit/(loss)		37,557	(35,775)	
fair values of investment properties Fair value losses on equity investments at fair value through profit or loss, net Gain/(loss) on disposal of a subsidiary General and administrative expenses Other expenses Finance costs  IOSS BEFORE TAX  IOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY  Basic  (8,700)  7,850  (161,826) (28,772) (161,826) (28,772) (18,806) (13,320) (8,806) (13,320) (8,806) (15,088) (5,391) (72,099)  (72,099)  (73,473)  (72,099)  (73,473)  (Restated)  HK2.11 cents	•		4,334	1,634	
at fair value through profit or loss, net  Gain/(loss) on disposal of a subsidiary  General and administrative expenses  Other expenses  Finance costs  4  Coss Before TAX  5  Cody,423  C	, , ,		(8,700)	7,850	
Gain/(loss) on disposal of a subsidiary General and administrative expenses Other expenses Finance costs  LOSS BEFORE TAX  5  C204,423)  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY  C362)  (13,320) (8,806) (2,957) (15,088) (5,391)  (72,099)  (73,473)  (202,900) (73,473)  (Restated)  HK2.11 cents  HK4.81 cents					
General and administrative expenses Other expenses Finance costs 4 (13,320) (8,806) (2,957) (2,957) (15,088) (5,391)  LOSS BEFORE TAX 5 (204,423) (72,099)  Tax 6 1,523 (1,374)  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (202,900) (73,473)  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY 7 (Restated)  Basic HK2.11 cents	at fair value through profit or loss, net		(161,826)		
Other expenses Finance costs  4  (47,018) (2,957) (15,088) (5,391)  LOSS BEFORE TAX  5  (204,423) (72,099)  Tax  6  1,523 (1,374)  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY  7  (Restated)  Basic  HK2.11 cents	Gain/(loss) on disposal of a subsidiary		(362)	118	
Finance costs 4 (15,088) (5,391)  LOSS BEFORE TAX 5 (204,423) (72,099)  Tax 6 1,523 (1,374)  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (202,900) (73,473)  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY 7 (Restated)  Basic HK2.11 cents	General and administrative expenses		(13,320)	(8,806)	
LOSS BEFORE TAX  5  (204,423)  (72,099)  Tax  6  I,523  (1,374)  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY  7  (Restated)  Basic  HK2.11 cents	Other expenses		(47,018)	(2,957)	
Tax 6 1,523 (1,374)  LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (202,900) (73,473)  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY 7 (Restated)  Basic HK2.11 cents	Finance costs	4	(15,088)	(5,391)	
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY  (202,900)  (73,473)  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY  7  (Restated)  HK2.11 cents	LOSS BEFORE TAX	5	(204,423)	(72,099)	
EQUITY HOLDERS OF THE COMPANY  (202,900)  (73,473)  LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY  7  (Restated)  HK2.11 cents	Tax	6	1,523	(1,374)	
ORDINARY EQUITY HOLDERS OF THE COMPANY 7 (Restated)  Basic HK2.11 cents		0	(202,900)	(73,473)	
Basic HK2.11 cents HK4.81 cents	ORDINARY EQUITY HOLDERS				
	OF THE COMPANY	7		(Restated)	
Diluted N/A	Basic		HK2.11 cents	HK4.81 cents	
	Diluted		N/A	N/A	