

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

	Notes	2006 (Unaudited) HK\$'000	2005 (Unaudited) HK\$'000
REVENUE	3	248,658	111,458
Cost of sales and carrying amount of equity investments sold		<u>(211,101)</u>	<u>(147,233)</u>
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		(8,700)	7,850
Fair value losses on equity investments at fair value through profit or loss, net		(161,826)	(28,772)
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	<u>(15,088)</u>	<u>(5,391)</u>
LOSS BEFORE TAX	5	(204,423)	(72,099)
Tax	6	<u>1,523</u>	<u>(1,374)</u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>(202,900)</u>	<u>(73,473)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	7		(Restated)
Basic		<u>HK2.11 cents</u>	<u>HK4.81 cents</u>
Diluted		<u>N/A</u>	<u>N/A</u>