

CONDENSED FINANCIAL STATEMENTS

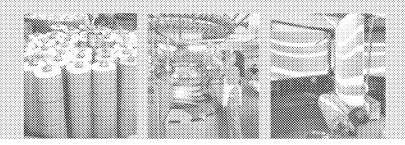
The Board of Directors is pleased to announce that the unaudited condensed consolidated financial statements of the Company and its subsidiaries ("the Group") for the six months ended 28th February, 2001 are as follows:

Condensed Consolidated Income Statement

For the six months ended 28th February, 2001

	NOTES	Six months ended 28th February, 2001 (unaudited)	Six months ended 29th February, 2000 (unaudited)
Turnover	2	<i>HK\$'000</i> 2,090,167	<i>HK\$'000</i> 1,766,155
Cost of sales		(1,576,772)	(1,296,874)
Other revenue Distribution costs Administrative expenses Other operating expenses		513,395 39,277 (124,741) (231,563) (2,938)	469,281 73,284 (112,730) (223,319) (1,327)
Profit from operations Finance costs Share of results of jointly controlled entities	3	193,430 (59,211) 478	205,189 (74,861) 546
Profit before taxation Taxation	5	134,697 (14,438)	130,874 (7,400)
Profit before minority interests Minority interests		120,259 (17,733)	123,474 (22,174)
Profit for the period Dividends	6	102,526	101,300 (27,008)
Profit for the period, retained		67,845	74,292
Earnings per share Basic	7	13.29 cents	13.13 cents
Diluted		13.28 cents	N/A

Fountain Set (Holdings) Limited



Condensed Consolidated Balance Sheet

At 28th February, 2001

	NOTES	28th February, 2001 (unaudited) <i>HK\$</i> 2000	31st August, 2000 (audited) <i>HK\$'000</i>
Non-current assets Investment properties Property, plant and equipment Interests in jointly controlled entities	8	125,860 1,753,877 46,914	125,860 1,798,669 46,833
		1,926,651	1,971,362
Current assets Inventories Trade and other receivables Taxation recoverable Pledged bank deposits Short-term bank deposits Bank balances and cash	9 10	1,075,948 1,181,829 18,476 — 83,416 156,267 — 2,515,936	1,056,557 1,335,167 2,972 22,000 5,772 177,046
Current liabilities Trade and other payables Proposed dividend Taxation payable Bank borrowings - due within one year Obligations under finance leases and hire purchase contracts - due within one year	11	317,030 34,700 39,236 809,481 34,920	329,736 27,008 49,548 877,060
		1,235,367	1,306,579
Net current assets		1,280,569	1,292,935
Total assets less current liabilities		3,207,220	3,264,297
Non-current liabilities Bank borrowings - due after one year Obligations under finance leases and hire purchase contracts - due after one year		738,268 28,070	850,960 17,221
Deferred taxation		31,405	31,405
		797,743	899,586
Minority interests		159,393	170,667
Net assets		2,250,084	2,194,044
Capital and reserves Share capital Reserves	12	154,224 2,095,860	154,332 2,039,712
Shareholders' funds		2,250,084	2,194,044





Condensed Consolidated Statement of Recognised Gains and Losses

For the six months ended 28th February, 2001

Six months ended 28th February, 2001 (unaudited) *HK\$**000

Profit for the period

Exchange differences arising from translation of financial statements denominated in foreign currencies not recognised in the condensed consolidated income statement

Net recognised gains

102,526

(11,491) 91,035

Condensed Consolidated Cash Flow Statement

For the six months ended 28th February, 2001

Six months
ended
28th February,
2001
(unaudited)
HK\$'000

401,174
(97,304)
(40,216)
(5,161)

258,493
(83,705)

174,788
(285,420)
(3,409)

Net cash inflow from operating activities Net cash outflow from returns on investments and servicing of finance Net taxation paid

Net cash outflow from investing activities

Net cash inflow before financing Net cash outflow from financing

Increase in cash and cash equivalents

Cash and cash equivalents at beginning of the period

Effect of foreign exchange rate changes

Cash and cash equivalents at end of the period

Analysis of the balances of cash and cash equivalents
Short-term bank deposits
Bank balances and cash
Bank borrowings

(353,724) (114,041)

(114,041)

83,416

156,267