

UNAUDITED FINANCIAL STATEMENTS

The board of directors (the "Directors") of Hong Kong Fortune Limited (the "Company") announces the unaudited condensed consolidated profit and loss account, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2002 (the "Period") and the unaudited condensed consolidated balance sheet of the Group as at 30th June, 2002, together with the comparative figures in 2001, as follows:

Condensed Consolidated Profit and Loss Account

| | | Unaudited Six months ended 30th June, | |
|--|-------|---|------------------|
| | Notes | 2002 HK\$'000 | 2001 HK\$'000 |
| TURNOVER | 2 | 54,619 | 4,525 |
| Cost of sales | | (47,873) | – |
| Gross profit | | 6,746 | 4,525 |
| Gain on the disposal of an associate | | 58,694 | – |
| Other revenue | | 1,722 | 1,902 |
| Selling and distribution costs | | (4,798) | – |
| Administrative expenses | | (30,694) | (12,500) |
| Other operating expenses | | (2,222) | (1,811) |
| PROFIT/(LOSS) FROM OPERATING ACTIVITIES | 2 & 3 | 29,448 | (7,884) |
| Finance costs | | (5,163) | (12,102) |
| Share of losses of: | | | |
| Jointly controlled entities | | (6,610) | (12,454) |
| Associates | | (1,701) | (3,955) |
| PROFIT/(LOSS) BEFORE TAXATION | | 15,974 | (36,395) |
| Taxation | 4 | – | (313) |
| PROFIT/(LOSS) BEFORE MINORITY INTERESTS | | 15,974 | (36,708) |
| Minority interests | | 5,706 | 3,870 |
| NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS | | 21,680 | (32,838) |
| Accumulated losses at beginning of the Period | | (621,392) | (617,367) |
| ACCUMULATED LOSSES AT END OF THE PERIOD | | (599,712) | (650,205) |
| EARNINGS/(LOSS) PER SHARE – HK Cent: | 6 | | |
| Basic | | 0.36 | (0.55) |
| Diluted | | 0.33 | N/A |