

BEST WIDE GROUP LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2000

1. *Basis of preparation of condensed financial statements*

In preparing the condensed financial statements the directors have given careful consideration to the future operations and financing of the Group. The Group ceased its principal textile operations in 1998. Although in 1999 the Group made an investment in a garment manufacturing, printing and dyeing joint venture, this joint venture was terminated in May 2000 and the Group's investment had been written off.

The Company is currently undergoing the third stage of delisting in accordance with the Practice Note 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") issued by the The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The retention of the Company's listing status is now dependent upon the approval of the reactivation proposal of the Group by the Stock Exchange before 25th January 2001; only then can trading in the Company's shares be resumed.

Until such time as the operations of the Group can be reactivated, a director and major shareholder of the Company and the related companies have agreed to provide the Group with financial support to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future.

Against this background, the directors have prepared the condensed financial statements on the basis that reactivation plan for the Group will be successfully implemented.

2. *Principal accounting policies*

The condensed financial statements have been prepared under the historical cost convention and in accordance with Statement of Standard Accounting Practice 25 "Interim financial reporting". The principal accounting policies adopted are consistent with those followed in the Group's annual financial statements for the year ended 31st March 2000.

3. *Taxation*

No Hong Kong Profits Tax has been provided in the condensed financial statements as the Company and the subsidiaries did not have assessable profit for the period.

The tax charge in current period represented underprovision of Hong Kong Profits Tax of a subsidiary in prior periods.

4. *Depreciation*

During the period, depreciation of HK\$41,000 (1999: nil) was charged in respect of the Group's property, plant and equipment.

5. *Loss per share*

The calculation of the loss per share is based on the loss for the period of HK\$2,431,000 (1999: HK\$2,749,000) and on the number of 341,991,884 shares (1999: 341,991,884 shares) in issue during the period.

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6. *Interim dividend*

The Directors have resolved that no interim dividend will be declared for the six months ended 30th September 2000 (1999: nil).

7. *Investment securities*

	30/9/2000 (Unaudited) HK\$'000	31/3/2000 (Audited) HK\$'000
At carrying value less impairment in value:		
Unlisted securities, at carrying value	2,514	2,514
Provision for impairment in value	(2,514)	(2,514)
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8. *Share capital*

There were no movements in the share capital of the Company in either the current or the prior interim reporting period.