

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1. CHANGE OF NAME

Pursuant to a special resolution passed at a special general meeting held on 15th December, 2000, the name of the Company was changed from Star Cyberpower Holdings Limited 星光數碼動力有限公司 to Star Bio-Tech (Holdings) Limited 星光生物科技(控股)有限公司.

### 2. COMPARATIVE AUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2000

The comparative figures for the condensed consolidated balance sheet as at 30th June, 2000 were extracted from the Group's audited financial statements for the period from 1st April, 1999 to 30th June, 2000. The Auditors' Report contained a qualification relating to the consolidated balance sheet as at 30th June, 2000, being that it included net liabilities of HK\$35,481,000 in respect of a subsidiary, Vincent Honour Limited, on the basis of the unaudited management accounts. Accordingly, the auditors were unable to satisfy themselves that these amounts were fairly stated.

### 3. BASIS OF PREPARATION

The condensed financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and investments in securities.

The condensed financial statements have been prepared in accordance with Statement of Standard Accounting Practice ("SSAP") No. 25 "Interim Financial Report" except that comparative figures are not presented for the condensed consolidated cash flow statement, being the first condensed consolidated cash flow statement to be included in the interim financial report relating to accounting period ended on or after 1st July, 2000. Such departures from SSAP 25 are permitted under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The accounting policies adopted are consistent with those followed by the Group's audited financial statements for the period from 1st April, 1999 to 30th June, 2000. Comparative figures in the condensed consolidated income statement have been prepared in accordance with the requirements of SSAPs 1 and 2 (Revised).

#### 4. SEGMENTAL INFORMATION

The Group carries out its activities primarily in the People's Republic of China ("PRC") including Hong Kong. An analysis of the Group's turnover and contributions to operating results by principal activity is as follows:

	For the six months ended			
	31.12.2000		31.12.1999	
	Contribution		Contribution	
	to profit (loss) from		to profit (loss) from	
	turnover	operations	turnover	operations
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Manufacture and sales of food products	4,083	(1,239)	5,463	(2,646)
Sales of electronic products	7,092	409	—	—
Provision of financial information services	2,484	(270)	—	—
Provision of internet consultancy services	214	(3,051)	—	—
	<u>13,873</u>	<u>(4,151)</u>	<u>5,463</u>	<u>(2,646)</u>
Corporate expenses		<u>(27,733)</u>		<u>(8,099)</u>
		<u>(31,884)</u>		<u>(10,745)</u>
Finance costs		(932)		(4,989)
Unrealised loss on other investments		(1,610)		—
Gain on waiver of obligations under guarantee		3,464		—
Loss before taxation		<u>(30,962)</u>		<u>(15,734)</u>

#### 5. DEPRECIATION

During the period, depreciation of approximated HK\$1,351,000 (1999: HK\$1,256,000) was charged in respect of the Group's property, plant and equipment.

#### 6. GAIN ON WAIVER OF OBLIGATIONS UNDER GUARANTEE

The amount represented gain on waiver of the obligations under guarantee given by the Group in previous year to a third party.

#### 7. TAXATION

	For the six months ended	
	31.12.2000	31.12.1999
	HK\$'000	HK\$'000
The charge comprises:		
Underprovision of Hong Kong Profits Tax of a subsidiary of the Group in prior year	<u>182</u>	<u>—</u>

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit for both periods.

## 8. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the period from 1st July, 2000 to 31st December, 2000 of HK\$31,416,000 (1.7.1999 to 31.12.1999: loss of HK\$15,178,000, 1.4.1999 to 30.9.1999: loss of HK\$25,926,000) and on the weighted average number of 13,449,180,892 (1.7.1999 to 31.12.1999: weighted average number of 1,261,264,520, 1.4.1999 to 30.9.1999: weighted average number of 1,261,264,520) shares in issue after adjustment for the share consolidation on 14th June, 2000 to consolidate every two issued shares into one share.

No diluted loss per share for the six months ended 31st December, 2000 has been presented as the exercise of the share options would result in a decrease in the loss per share for the current period.

No diluted loss per share for the six months ended 31st December, 1999 has been presented as the exercise prices of the share options were greater than the market prices of the Company's shares during the prior period.

## 9. DISPOSAL OF INVESTMENT PROPERTIES

During the period, the Group disposed of certain of its investment properties with a carrying value of approximately HK\$1.6 million at consideration of approximately HK\$1.2 million to partially settle borrowings from a bank.

## 10. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group allows an average credit period of 60 days to its trade customers. Included in debtors, deposits and prepayments are debtors with the following aging analysis:

	<b>31.12.2000</b>	30.6.2000
	<b>HK\$'000</b>	HK\$'000
Debtors:		
0 - 60 days	1,111	—
61 - 90 days	383	—
> 90 days	541	207
	<u>2,035</u>	<u>207</u>
Deposits and prepayments	37,353	9,974
	<u>39,388</u>	<u>10,181</u>

## 11. CREDITORS AND ACCRUED CHARGES

Included in creditors and accrued charges are creditors with the following aging analysis:

	<b>31.12.2000</b>	30.6.2000
	<b>HK\$'000</b>	HK\$'000
Creditors:		
0 - 60 days	1,645	1,701
61 - 90 days	416	31
> 90 days	<u>3,785</u>	<u>3,520</u>
	<b>5,846</b>	5,252
Accrued charges	<u>32,286</u>	<u>34,464</u>
	<b><u>38,132</u></b>	<b><u>39,716</u></b>

## 12. SHARE CAPITAL

	<b>Number of</b>	<b>Value</b>
	<b>shares</b>	<b>HK\$'000</b>
Authorised:		
Ordinary shares of HK\$0.01 each		
At 30th June, 2000 and 31st December, 2000	<u>60,000,000,000</u>	<u>600,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 30th June, 2000	12,980,167,739	129,802
Issue of new shares of HK\$0.01 each	<u>1,383,425,890</u>	<u>13,834</u>
At 31st December, 2000	<b><u>14,363,593,629</u></b>	<b><u>143,636</u></b>