

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its ultimate holding company is Online Credit International Limited (“OCIL”), another public company incorporated in Hong Kong with its shares listed on the Stock Exchange.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the retailing of fashion apparel and accessories, property investment and financial and securities investment.

2. ACCOUNTING POLICIES

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

The interim financial report has been prepared in accordance with SSAP25 issued by the Hong Kong Society of Accountants, except that comparative figures are not presented for the first 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 SSAP25 are permitted under The Rules Governing the Listing of Securities on the Stock Exchange.

Saved as disclosed above, the condensed financial statements have been prepared in accordance with SSAP25. The accounting policies adopted are consistent with those followed in the Group’s annual financial statements for the year ended 31st March, 2000.

3. SEGMENT INFORMATION

The Group's turnover and contribution to operating loss for the period ended 30th September, 2000, analysed by principal activity, are as follows:

	(Unaudited) Group's Turnover Six months ended 30th September		(Unaudited) Contribution to Loss before Taxation Six months ended 30th September	
	2000	1999	2000	1999
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
By Principal Activities:				
Retailing of Fashion Apparel And Accessories	2,873	4,228	284	14
Property Investment	142	148	(391)	(339)
Financial and Securities Investment	4	755	(346)	477
	<u>3,019</u>	<u>5,131</u>	(453)	152
Other Revenue			113	655
Corporate Expenses			(742)	(991)
Interest Expenses			(3)	(2)
Loss before Taxation			<u>(1,085)</u>	<u>(186)</u>

All of the activities of the Group are based in Hong Kong and all of the Group's turnover and operating loss are derived from Hong Kong.

4. DEPRECIATION

During the period, depreciation of approximately HK\$279,000 (six months ended 30th September, 1999: HK\$332,000) was charged to the income statement in respect of the Group's property, plant and equipment.

5. TAXATION

No provision for Hong Kong Profits Tax has been made as there is no assessable profit for the period (six months ended 30th September, 1999: Nil).

6. LOSS PER SHARE

The calculation of basic loss per share is based on the unaudited loss for the period of approximately HK\$1,085,000 (six months ended 30th September, 1999: HK\$186,000) and on 208,292,307 (six months ended 30th September, 1999: 200,600,000) weighted average number of ordinary shares outstanding during the period. No diluted loss per share is calculated as the effect of potential ordinary share is anti-dilutive.

7. INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired and disposed of property, plant and equipment of approximately HK\$38,000 and HK4,000 (year ended 31st March, 2000: HK\$102,000 and HK\$69,000) respectively.

The Group did not acquire or dispose of any investment properties during the two periods.

8. TRADE AND OTHER RECEIVABLES

The Group does not allow any credit terms to its trade customers.

The following is an ageing analysis of trade and other receivables at the reporting date:

	(Unaudited) 30th September 2000 <i>HK\$'000</i>	(Unaudited) 31st March 2000 <i>HK\$'000</i>
0 – 60 days	169	137
61 – 90 days	1	7
Over 90 days	498	472
	<u>668</u>	<u>616</u>

9. TRADE AND OTHER PAYABLES

The following is an ageing analysis of account payables at the reporting date:

	(Unaudited) 30th September 2000 <i>HK\$'000</i>	(Unaudited) 31st March 2000 <i>HK\$'000</i>
0 – 60 days	584	996
61 – 90 days	–	–
Over 90 days	1,523	1,167
	<u>2,107</u>	<u>2,163</u>

10. SHARE CAPITAL

There was no movement in the share capital of the Company for the current interim reporting period. In prior interim reporting period, OCIL has exercised the option to convert 1,000,000 non-voting cumulative redeemable convertible preference shares into 7,692,307 ordinary shares of HK\$0.01 each at HK\$0.13 per share.

11. SHARE PREMIUM AND RESERVES

	Asset Revaluation Reserve <i>HK\$'000</i>	Investment Property Revaluation Reserve <i>HK\$'000</i>	Share Premium <i>HK\$'000</i>	Special Reserve <i>HK\$'000</i>	Deficit <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31st March, 1999	7,049	1,033	21,820	1,602	(78,565)	(47,061)
Deficit on Revaluation	(3,087)	(316)	–	–	–	(3,403)
Issue of Ordinary Shares	–	–	923	–	–	923
Share Conversion Expenses	–	–	(25)	–	–	(25)
Loss for the Year	–	–	–	–	(647)	(647)
	<u>3,962</u>	<u>717</u>	<u>22,718</u>	<u>1,602</u>	<u>(79,212)</u>	<u>(50,213)</u>
At 31st March, 2000	3,962	717	22,718	1,602	(79,212)	(50,213)
Loss for the Period	–	–	–	–	(1,085)	(1,085)
	<u>3,962</u>	<u>717</u>	<u>22,718</u>	<u>1,602</u>	<u>(80,297)</u>	<u>(51,298)</u>
At 30th September, 2000	<u>3,962</u>	<u>717</u>	<u>22,718</u>	<u>1,602</u>	<u>(80,297)</u>	<u>(51,298)</u>

12. PLEDGE OF ASSETS

At 30th September, 2000, the Group pledged a bank deposit of approximately HK\$2,024,000 (year ended 31st March, 2000: HK\$2,020,000) to secure banking facilities granted to the Group.

13. POST BALANCE SHEET EVENTS

Subsequent to the interim reporting date, the Company has made an announcement on 24th November, 2000 for the acquisition of 100% of the issued share capital of three fellow subsidiaries from OCIL at a total consideration of approximately HK\$56 million.