

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2001

	Unaudited Six months ended 30 September 2001 HK\$'000
Net cash inflow from operating activities	112,650
Net cash inflow from returns on investment and servicing of finance	206
Net cash inflow before financing activities	112,856
Net cash outflow from financing activities	(219)
Increase in cash and cash equivalents	112,637
Cash and cash equivalents at beginning of period	(90,174)
Effect of foreign exchange rate changes	112
Cash and cash equivalents at end of period	<u>22,575</u>

Notes to the condensed financial statements:

1. Basis of Preparation

The Group has changed its financial year-end date from 31 December to 31 March commencing from the year 2000. Accordingly, these financial statements are presented for the six months ended 30 September 2001 with comparative figures cover for the six months ended 30 June 2000.

The unaudited condensed financial statements have been prepared in accordance with Statement of Standard of Accounting Practice ("SSAP") 25 "Interim Financial Reporting" and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited except that comparative figures are not presented for the condensed consolidated cash flow statement, being the first consolidated cash flow statement included in the interim report relating to accounting period ended after 1 July 2000 since the Group changed its financial year end to 31 March. Such departure from SSAP 25 is permitted under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of the interim accounts are consistent with those used by the Group in its financial statements for the 15 months ended 31 March 2001 except as described below.

In the current period, the Group has adopted, for the first time, the following new SSAPs issued by the Hong Kong Society of Accountants:

Segment Reporting

SSAP 26 "Segment Reporting", which has been adopted for the first time in this interim reporting period, has established principles for reporting the segmental analysis of financial information. The Group has changed the basis of identification of reporting segments to that required by SSAP 26 and segment disclosures for the six months ended 30 June 2000 have been amended so that they are presented on a consistent basis. The details are set out in note 2.

Business Combination

In accordance with SSAP 30 "Business Combination", goodwill arising from acquisition of subsidiaries should be recognised as an asset and amortised on a straight-line basis over its estimated useful life. In previous years, goodwill/negative goodwill on the acquisition of subsidiary was written off/credited to reserves immediately upon acquisition. The Group has taken advantage of the transitional provisions in SSAP 30 not to restate the goodwill/negative goodwill previously written off/credited to reserves upon the adoption of this SSAP.

2. Segment Information

Analysis of the Group's turnover and operating profit/(loss) by principal activities for the six months ended 30 September 2001 is as follows:

	Turnover		Results	
	Six months ended 30 September 2001 HK\$'000	Six months ended 30 June 2000 HK\$'000	Six months ended 30 September 2001 HK\$'000	Six months ended 30 June 2000 HK\$'000
By Business Segments				
Securities trading	(30,545)	15,498	(38,138)	(38,368)
Property rental	3,367	3,614	2,196	942
	<u>(27,178)</u>	<u>19,112</u>	(35,942)	(37,426)
Other revenue			1,090	2,481
General and administrative expenses			(3,982)	(7,091)
Loss from operating activities			<u>(38,834)</u>	<u>(42,036)</u>

All principal activities are carried out in Hong Kong. There were no significant changes in the nature of the principal activities during the period.

3. Tax

Hong Kong profits tax has not been provided as the Group had no assessable profits arising in Hong Kong for both periods. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 September 2001 HK\$'000	Six months ended 30 June 2000 HK\$'000
Hong Kong	-	-
Elsewhere	-	32
	<u>-</u>	<u>32</u>