

CONDENSED CONSOLIDATED CASH FLOW STATEMENT*For the six months ended 30 September 2002*

	Six months ended 30 September	
	2002 HK\$'000 (Unaudited)	2001 HK\$'000 (Unaudited)
Net cash (outflow) inflow from operating activities	(10,992)	69,418
Net cash outflow from investing activities	(1,698)	(35,284)
Net cash inflow (outflow) from financing activities	13,027	(41,817)
Increase (Decrease) in cash and cash equivalents	337	(7,683)
Cash and cash equivalents at 1 April	48,554	50,249
Effect of foreign exchange rate changes	34	(751)
Cash and cash equivalents at 30 September	48,925	41,815
Analysis of cash and cash equivalents:		
– Cash and bank deposits	48,925	41,815

NOTES TO THE CONDENSED CONSOLIDATED INTERIM ACCOUNTS**1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

The unaudited condensed interim accounts of the VSC Group as at and for the six months ended 30 September 2002 have been prepared in accordance with Statement of Standard Accounting Practice (“SSAP”) Number 25 (Revised) – Interim financial reporting issued by the Hong Kong Society of Accountants and the disclosure requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The unaudited condensed interim accounts should be read in conjunction with the annual accounts of the VSC Group for the year ended 31 March 2002.

The accounting policies and method of computation used in the preparation of the unaudited condensed interim accounts as at and for the six months ended 30 September 2002 are consistent with those used in the annual accounts as at and for the year ended 31 March 2002, except for the adoption of the new/revised SSAPs issued by the Hong Kong Society of Accountants as described in Note 2 below.

2. CHANGES IN ACCOUNTING POLICIES

Effective from 1 April 2002, the VSC Group has adopted the following changes in accounting policies:

SSAP 1 (Revised) :	Presentation of financial statements
SSAP 11 (Revised) :	Foreign currency translation
SSAP 15 (Revised) :	Cash flow statements
SSAP 25 (Revised) :	Interim financial reporting
SSAP 34 :	Employee benefits

Except for certain presentational changes which have been made upon the adoption of SSAP 1 (Revised) – Presentation of financial statements and SSAP 15 (Revised) – Cash flow statements, the adoption of the above new/revised SSAPs had no material effect on the unaudited condensed interim accounts.