For the year ended 31 March 2004

1. GENERAL

The Company is an exempted company incorporated in the Cayman Islands with limited liability. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "SEHK").

2. BASIS OF PREPARATION

(a) Background and principal activities

The Company is an investment holding company. The Group is principally engaged in cold storage warehousing and logistics management services.

(b) Restructuring

On 14 May 2003, the Company entered into a conditional Restructuring Agreement with the investor, Many Returns Limited ("MRL"), in relation to the Restructuring Proposal for the Company. The Restructuring Proposal involves, amongst other things, the Capital Restructuring, Debt Restructuring involving Schemes of Arrangement ("Schemes"), and the subscription of new shares and warrants as detailed below:

(i) capital restructuring

The then existing authorised share capital of the Company was HK$1,000,000,000 divided into 20,000,000,000 shares, of which 1,547,042,829 shares of par value HK$0.05 each were issued and credited as fully paid up. The Company's share capital was re-organised as follows:

(1) the par value of every issued share capital was reduced from HK$0.05 to HK$0.0006 and every un-issued share was cancelled;

(2) every 100 issued shares reduced pursuant to (i)(1) above of HK$0.0006 were consolidated into 1 share of HK$0.06 each;

(3) each issued share reduced and consolidated pursuant to (i)(1) and (i)(2) above was divided into 6 new shares of HK$0.01 each; and

(4) the Company's authorised share capital was reduced to HK$100,000,000 divided into 10,000,000,000 new shares.

For the year ended 31 March 2004

2. BASIS OF PREPARATION *(Continued)*

(b) Restructuring *(Continued)*

(ii) debt restructuring

The Debt Restructuring involved Schemes under which in the consideration of the Company's creditors' (other than the preferential creditors) discharging and waiving all their claims against the Company, the Scheme Administrators received the following with value of approximately HK$39 million (being the cash and value of new shares of the Company estimated at par value) for the distribution, on pro-rata basis, to the admitted scheme creditors:

(1) HK$38 million in cash from the subscription proceeds (as referred to below) paid by MRL upon completion;

(2) 96,000,000 new shares of the Company at par value of HK$0.01 each; and

(3) any cash held by the Company as at the date of completion.

The Schemes were sanctioned by the High Court of Hong Kong and the Grand Court of the Cayman Islands (collectively the "Courts") on 14 November 2003.

(iii) subscription

MRL subscribed, in accordance with the terms of Subscription Agreement before the completion, for 4,600,000,000 new shares of the Company at HK$0.01 each representing approximately 96.06% of the enlarged issued share capital of the Company immediately after the completion, for an aggregate consideration of HK$46 million in cash, out of which, HK$38 million was applied to the cash payments to the Scheme Administrators for distribution to the admitted scheme creditors of the Company on pro-rata basis, HK$1 million was paid to a petitioning creditor for the settlement of the petitioning costs upon completion, HK$6.4 million was applied towards the costs and expenses of Restructuring Proposal and the remaining balance of HK$0.6 million was retained as working capital of the Company up to the completion of the Restructuring Agreement.

2. BASIS OF PREPARATION *(Continued)*

(b) Restructuring *(Continued)*

(iii) subscription *(Continued)*

In addition, MRL subscribed at the consideration of HK$1, in accordance with the Subscription Agreement, for warrants of the Company which entitle the holder(s) to subscribe for a number of new shares of the Company representing 20% of the enlarged issued share capital of the Company upon completion ("Warrants"). The Warrants if fully exercised at the exercise price of HK$0.01 per new share, will result in the issuance of 957,764,514 new shares of the Company and additional capital of approximately HK$9 million to the Company.

All the new shares are issued pursuant to the Subscription Agreement and the exercise of the Warrants will rank pari passu in all respects with the existing new shares of the Company.

The Restructuring Proposal (including the Restructuring Agreement and the Subscription Agreement) was completed on 5 December 2003 ("Completion Date"). Each of the former Provisional Liquidators has been released and discharged as joint and several Provisional Liquidators of the Company with effect from the date of the completion in accordance with the orders of the Courts.

(c) Going concern basis

In preparing the financial statements, the Directors of the Company have given careful consideration to the future liquidity of the Group in light of the Group's net current liabilities of approximately HK$1,427,000 as at 31 March 2004.

MRL has agreed to provide and procure the provisions of working capital to the Company such that the Group will have sufficient working capital for its operations for 12 months after the completion of the Restructuring Agreement. MRL agrees to undertake to the Company that the Company will not dispose of any of its assets after completion if such disposal will result in the Company breaching paragraph 38 of its listing agreement with the SEHK.

In light of the above, the Directors of the Company have prepared the financial statements on a going concern basis that the Group would be able to meet the debts as and when they fall due and will have sufficient working capital to carry on its business for the foreseeable future.

For the year ended 31 March 2004

2. BASIS OF PREPARATION *(Continued)*

(c) Going concern basis *(Continued)*

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the financial statements.

(d) Group financial statements

The Group financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant inter-company transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or negative goodwill (capital reserve) which was not previously charged or recognised in the consolidated income statement.

3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with Statements of Standard Accounting Practice ("SSAP") and Interpretations issued by the Hong Kong Society of Accountants ("HKSA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements are prepared under the historical cost convention except that, as disclosed in the policies below and as modified by the revaluation of investment properties, properties held for development, other land and buildings, interests in subsidiaries and certain investments in securities. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the SEHK ("Listing Rules"). A summary of the significant accounting policies adopted by the Group is set out below.

In the current year, the Group has adopted, for the first time, the following SSAP issued by the HKSA:

SSAP 12 (revised):	Income taxes

The adoption of the standard had no material effect on the results for the current or prior periods. Accordingly, no prior period adjustment has been made.

(a) Revenue Recognition

(i) Cold storage service income is recognised pro-rata over the life of the agreement and on an accrual basis.

(ii) Logistics management service income is recognised on the services rendered.

(iii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(iv) Dividend income is recognised when the shareholders' rights to receive payment is established.

(v) Operating lease rental income is recognised on a straight-line basis over the period of the respective leases.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(b) Goodwill

Goodwill arising on acquisition of subsidiaries, associates and jointly controlled entities represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable assets and liabilities acquired as at the date of acquisition. Negative goodwill arising from the acquisition of subsidiaries, associates and jointly controlled entities, being the capital reserve, represents the excess of the fair value ascribed to the Group's share of the identifiable assets and liabilities at the date of acquisition of a subsidiary, over the cost of acquisition.

Goodwill arising on acquisition is recognised as an asset and is amortised using the straight-line method over its estimated useful economic life of not exceeding twenty years. To the extent that negative goodwill relates to expectations of future losses and expenses that are identified in the acquisition plan and that can be measured reliably, but which do not represent identifiable liabilities as at the date of acquisition, that portion of negative goodwill is recognised as income in the consolidated income statement when the future losses and expenses are recognised. To the extent that negative goodwill does not relate to identifiable expected future losses and expenses as at the date of acquisition, negative goodwill is recognised in the consolidated income statement on a systematic basis over the remaining average useful life of the acquired depreciable/amortisable assets. The amount of any negative goodwill in excess of the fair values of the acquired non-monetary assets is recognised as income immediately.

In case of associates and jointly controlled entities, any unamortised goodwill/negative goodwill (not yet recognised in the consolidated income statement) is included in the carrying amount thereof, rather than as a separately identified asset on the consolidated balance sheet.

On disposal of subsidiaries, associates or jointly controlled entities, the gain or loss on disposal is calculated by reference to the net assets at the date of disposal, including the attributable amount of goodwill/negative goodwill which remains unamortised/ has not been recognised in the consolidated income statement and any relevant capital reserve, as appropriate. Any attributable goodwill/negative goodwill previously eliminated against consolidated reserves at the time of acquisition is written back and included in the calculation of the gain or loss on disposal.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(b) Goodwill *(Continued)*

The carrying amount of goodwill, including goodwill remaining eliminated against consolidated reserves, is reviewed annually and written down for impairment when it is considered necessary. A previously recognised impairment loss for goodwill is not reversed unless the impairment loss was caused by a specific external event of an exceptional nature that was not expected to recur, and subsequent external events have occurred which have reversed the effect of that event.

(c) Property, Plant and Equipment

Properties held for development, which are those properties being developed for production, rental or administrative purposes or for purposes not yet determined, are stated at valuation less provision for permanent diminution in value, if necessary. Cost comprises acquisition cost and other incidental costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are put into use.

Property, plant and equipment, other than investment properties and properties held for development, are stated at cost or valuation less depreciation (or amortisation) and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after the asset has been put into operation, such as repairs and maintenance and overhaul cost, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the asset, the expenditure is capitalised as an additional cost of the asset.

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

Where the recoverable amount of an asset has declined below its carrying amount, the carrying amount is reduced to reflect the decline in value. In determining the recoverable amount of the assets, expected future cash flows are not discounted to their present values.

For the year ended 31 March 2004

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(c) Property, Plant and Equipment *(Continued)*

Cold storage warehouses and other land and buildings are stated at their revalued amount, being the fair value on the basis of their existing use at the date of revaluation less any subsequent accumulated depreciation and amortisation. Revaluation is performed with sufficient regularity such that the carrying value does not differ materially from that which would be determined using the fair values at the balance sheet date.

Any surplus arising on revaluation of the property, plant and equipment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense, in which case this surplus is credited to the consolidated income statement to the extent of the deficit previously charged. A decrease in the net carrying amount arising on the revaluation of such properties is charged to the consolidated income statement to the extent that it exceeds the surplus, if any, held in the asset revaluation reserve relating to the previous revaluation of that particular asset. On the subsequent disposal of the asset, the attributable revaluation surplus not yet transferred to deficit in prior years is transferred to deficit.

Amortisation is provided to write off the valuation of leasehold land over the terms of the respective leases using the straight line method. Freehold land is not amortised.

The valuation of buildings is depreciated over their estimated useful lives of fifty years or, where shorter, the terms of the respective leases using the straight line method.

Depreciation and amortisation are provided to write off the costs of other assets over their estimated useful lives, using the straight line method, at the following rates per annum:

Furniture, machinery and equipment	10% to 33%
Motor vehicles	20%

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as assets owned by the Group or, where shorter, the terms of the respective leases.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(d) Investment Properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential with rental income being negotiated at arm's length.

Investment properties are stated in the balance sheet at their open market value on the basis of period end valuation carried out annually by persons holding a recognised professional qualification in valuing properties and having recent post-qualification experience in valuing properties in the location and in the category of the properties concerned. Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining periods of the leases.

Changes in the value of investment properties is treated as movements in an investment property revaluation reserve, unless the total of this reserve is insufficient to cover a deficit on a portfolio basis, in which case the amount by which the deficit exceeds the total amount in the investment property revaluation reserve is charged to the income statement. Where a deficit has previously been charged to the income statement and a revaluation surplus subsequently arises, this surplus is credited to the income statement to the extent of the deficit previously charged. Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment property revaluation reserve to the income statement.

(e) Assets under Leases

(i) Finance leases

Leases that substantially transfer to the Group all the rewards and risks of ownership of assets are accounted for as finance leases. At the inception of a finance lease, the fair value of the asset is recorded together with the obligation, excluding the interest element, to pay future rentals.

Payments to the lessor are treated as consisting of capital and interest elements. Finance charges are debited to the income statement over the periods of the leases so as to produce an approximately constant periodic rate of charge on the remaining balances of the obligation for each accounting period.

For the year ended 31 March 2004

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(e) Assets under Leases *(Continued)*

(i) Finance leases *(Continued)*

Assets held under finance leases are depreciated over the shorter of the lease terms and their estimated useful lives on the same basis as owned assets. Impairment losses are accounted for in accordance with the accounting policy as set out in note 3(f).

(ii) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental receivables/payables under such operating leases are accounted for in the income statement on a straight-line basis over the periods of the respective lease.

(f) Impairment of Assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that those assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. For goodwill that is amortised over 20 years from initial recognition, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(f) Impairment of Assets *(Continued)*

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(g) Subsidiaries

A subsidiary is a company in which the Group or the Company, directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors. Subsidiaries are considered to be controlled if the Group or the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

Investments in subsidiaries are included in the Company’s balance sheet at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For the year ended 31 March 2004

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(h) Associates

An associate is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated income statement includes the Group's share of the results of associates for the year, and the consolidated balance sheet includes the Group's share of the net assets of the associates and goodwill/negative goodwill (net of accumulated amortisation) on acquisition.

In the Company's balance sheet, the investments in associates are stated at cost less provision for impairment losses. The results of associates are accounted for by the Company on the basis of the dividends received and receivable.

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

(i) Joint Ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated income statement includes the Group's share of the results of the jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net asset jointly controlled entities and goodwill/negative goodwill (net of accumulative amortisation) on acquisition.

In the Company's balance sheet, the investments in jointly controlled entities are stated at cost less provision for impairment losses. The results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

For the year ended 31 March 2004

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(j) Investments in Securities

Security is a bond or share or other negotiable instrument evidencing debts or ownership which is distinguished between equity and debt securities, is classified as held-to-maturity securities, trade and non-trade securities.

Debt securities intended to be held-to-maturity are stated at amortised cost, less provision for impairment losses. Investments in other than held-to-maturity securities are accounted for using the alternative treatment and are stated at fair values. Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the year. For securities not held for trading purposes, unrealised gains and losses are dealt with in investment revaluation reserve, until the securities are disposed of or are determined to be impaired, at which time the cumulative gains or losses are included in net profit or loss for the year.

Gain or loss on disposal of investments in securities, representing the difference between the net sale proceeds and the carrying amount of the securities, together with any surplus/deficit transferred from the investment revaluation reserve, is recognised in the income statement in the period in which the disposal occurs.

All other securities (whether held for trading or otherwise) are stated in the balance sheet at fair value. Changes in fair value are recognised in the income statement as they arise. Securities are presented as trading securities when they were acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

(k) Related Parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(l) Cash Equivalents

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash without notice and which were within three months of maturity when acquired, less advances from banks repayable within three months from the date of the advances. Cash equivalents include investments and advances denominated in foreign currencies provided that they fulfil the above criteria.

(m) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(n) Deferred Taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against the temporary differences can be utilised.

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(o) Translation of Foreign Currencies

Transactions in foreign currencies during the year are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the income statement.

The balance sheet of subsidiaries expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss is translated at an average rate. Exchange differences are dealt with as a movement in reserves.

(p) Retirement Costs

The Group operates a defined contribution retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the participating employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

(q) Employee Benefits

Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(r) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

For the year ended 31 March 2004

3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(r) Segment Reporting *(Continued)*

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

(s) Borrowing Costs

Borrowing costs are expensed in the income statement in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditures for the assets are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset to its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset to its intended use or sale are interrupted or complete.

All other borrowing costs are charged to the income statement in the year in which they are incurred.

For the year ended 31 March 2004

4. TURNOVER AND OTHER REVENUE

The Company is an investment holding company. The principal activities of the Group are the provision of cold storage warehousing and logistics management services.

	2004	2003
	HK$'000	*HK$'000*
Turnover:		
Income from cold storage warehousing and logistics management services	**9,996**	16,881
Other revenue		
Interest income	**269**	411
	10,265	17,292

5. OTHER INCOME

Other income comprises:

	2004	2003
	HK$'000	*HK$'000*
Contributions to overheads from a former investor	**—**	1,260
Refund received from terminated provident fund	**—**	1,465
Deposits from a former investor forfeited	**—**	2,001
Exchange gain	**3,325**	1,554
Others	**237**	1,072
	3,562	7,352

For the year ended 31 March 2004

6. LOSS FROM OPERATIONS

Loss from operations is stated after crediting and charging:

	2004	2003
	HK$'000	*HK$'000*
Crediting:		
Provision for bad and doubtful debts written back	—	1
Charging:		
Loss on disposal of club membership	—	1,340
Provision for bad and doubtful debts	**801**	3,046
Provisional Liquidators' remuneration	—	6,425
Auditors' remuneration		
— Current year	**225**	—
— Underprovision in previous years	**393**	3
Depreciation		
— Owned fixed assets	**1,744**	2,032
Staff costs including retirement costs of HK$58,576 (2003: HK$76,000)	**5,848**	5,598
Impairment loss on other land and buildings	**1,363**	—
Loss on disposal of fixed assets (other than properties)	**1,216**	516

7. FINANCE COSTS

	2004	2003
	HK$'000	*HK$'000*
Interest on bank and other borrowings wholly repayable within five years	**23,572**	45,898
Obligations under finance leases	—	50
	23,572	45,948

For the year ended 31 March 2004

8. NET GAIN ARISING FROM DEBTS DISCHARGED UNDER SCHEMES OF ARRANGEMENT

	2004	2003
	HK$'000	*HK$'000*
Waiver of indebtedness	**640,474**	—
Restructuring and Schemes expenses	**(7,756)**	—
	632,718	—

The net gain represented the indebtedness and the accrued interests payable by the Company discharged upon the completion of the Schemes as detailed in note 2 (b) (ii), netting of the restructuring and Schemes expenses.

9. GAIN ON DE-CONSOLIDATION OF SUBSIDIARIES UNDER THE SCHEMES

On 5 December 2003, the Company entered into a sale and purchase agreement with an independent third party to dispose of 37 directly and indirectly wholly-owned subsidiaries at a consideration of HK$25. Gain of approximately HK$706,083,000 (2003: nil) arising from the de-consolidation of these subsidiaries was recorded in the consolidated income statement for the year ended 31 March 2004.

10. TAXATION — (CHARGE)/CREDIT

The (charge)/credit comprises:

	2004	2003
	HK$'000	*HK$'000*
(Under)/Over-provision for		
Hong Kong Profits Tax in prior years	**(6,577)**	2,609
Overseas taxation	**—**	—
	(6,577)	2,609
Deferred taxation — overseas	**(1,232)**	591
Taxation in respect of ordinary activities attributable		
to the Company and its subsidiaries	**(7,809)**	3,200

For the year ended 31 March 2004

10. TAXATION — (CHARGE)/CREDIT *(Continued)*

The (charge)/credit for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2004	2003
	HK$'000	*HK$'000*
Profit/(Loss) before taxation	**1,306,870**	(50,850)
Calculated at a taxation rate of 17.5% (2003:16%)	**(228,702)**	8,136
(Under)/Over-provision in prior years	**(7,909)**	2,945
Effect of different tax rates at oversea locations	**100**	254
Net effect of non-assessable/deductible items	**(3,046)**	(8,779)
Net effect of tax losses and temporary differences utilized/not recognised	**38,261**	662
Effect of group relief	**—**	(18)
Effect of gain on de-consolidation of subsidiaries under the Schemes	**90,572**	—
Effect of gain on debts discharged under the Schemes	**102,915**	—
	(7,809)	3,200

No provision for Hong Kong Profits Tax and taxation in overseas countries, in which the Group operates, have been made in the financial statements as the Group did not have any assessable profits derived in the respective jurisdictions for both years.

No provision for deferred taxation has been made in respect of the surplus or deficit arising on the revaluation of properties outside Hong Kong as the amount involved is not significant.

The Group and the Company did not have any other significant unprovided deferred taxation in respect of temporary differences arising during the year or as at the balance sheet date.

For the year ended 31 March 2004

11. DIRECTORS' REMUNERATION

Remuneration of the Company's directors disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

	2004	2003
	HK$'000	*HK$'000*
Fees		
— Executive directors	**136**	—
— Independent non-executive directors	**139**	—
Other emoluments		
Salaries and other benefits-in-kind		
— Executive directors	**312**	—
— Independent non-executive directors	**—**	—
Retirement benefit costs		
— Executive directors	**7**	—
— Independent non-executive directors	**—**	—
	594	—

The emoluments of the directors are within the following band:

	Number of Directors	
	2004	2003
Nil to HK$1,000,000	**9**	6

During the years ended 31 March 2004 and 2003, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments both years.

For the year ended 31 March 2004

12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

During the year, the five highest paid individuals included one (2003: no) director, details of whose emoluments are set out above. The emoluments of the remaining four (2003: five) individuals are as follows:

	2004	2003
	HK$'000	*HK$'000*
Salaries and other benefits	**1,779**	2,482
MPF Scheme contributions	**69**	36
	1,848	2,518

The emoluments of the employees are within the following band:

	Number of employees	
	2004	2003
Nil — HK$1,000,000	**4**	5

During the years ended 31 March 2004 and 2003, no emoluments were paid by the Group to the five individuals with the highest emoluments as an inducement to join or upon joining the Group or as compensation for loss of office.

13. PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS

The consolidated profit/(loss) attributable to shareholders includes a profit of approximately HK$982,400,000 (2003: loss of HK$39,617,000) which has been dealt with in the financial statements of the Company.

14. DIVIDENDS

The Directors of the Company do not recommend the payment of a dividend for the year ended 31 March 2004 (2003: nil).

15. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the net profit for the year of approximately HK$1,299,079,000 (2003: loss of HK$47,650,000) and on the weighted average number of 1,594,002,898 (2003: 92,822,570 (as adjusted for effects of share consolidation and share split on the Completion Date which was 1,547,042,829 as formerly reported)) shares in issue during the year.

No amount has been presented for the diluted earnings per share for the year ended 31 March 2004 as the conversion of the outstanding warrants would reduce the loss per share from continuing ordinary operations. No diluted loss per share for 2003 was presented, as the exercise of the outstanding share options of the Company during the year ended 31 March 2003 would result in reducing loss per share.

16. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's business segments were classified as follows:

(a) cold storage warehousing and logistics management segment; and

(b) the property investment segment.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the assets. There were no intersegment sales and transfers during the year.

For the year ended 31 March 2004

16. SEGMENT INFORMATION *(Continued)*

(a) Business Segment

Revenue, results and certain assets, liabilities and expenditure information for the Group's business segment for the two years ended 31 March 2004 and 2003 are set out below:

	Cold storage warehousing and logistics management HK$'000		Property investment HK$'000		Corporate HK$'000		Consolidated HK$'000	
	2004	2003	**2004**	2003	**2004**	2003	**2004**	2003
REVENUE								
External revenue	**9,996**	16,881	**—**	—	**—**	—	**9,996**	16,881
Other revenue	**269**	407	**—**	4	**—**	—	**269**	411
Total revenue	**10,265**	17,288	**—**	4	**—**	—	**10,265**	17,292
SEGMENT RESULTS	**(2,615)**	5,977	**(73)**	(321)	**—**	—	**(2,688)**	5,656
Unallocated costs					**(5,671)**	(10,558)	**(5,671)**	(10,558)
Net gain arising from debts discharged under Schemes of Arrangement					**632,718**	—	**632,718**	—
Gain on de-consolidation of subsidiaries under the Schemes					**706,083**	—	**706,083**	—
Finance costs					**(23,572)**	(45,948)	**(23,572)**	(45,948)
Taxation — (charge)/credit					**(7,809)**	3,200	**(7,809)**	3,200
Minority interests					**18**	—	**18**	—
Profit/(loss) attributable to shareholders							**1,299,079**	(47,650)
Other information:								
Segment assets	**23,906**	25,803	**—**	1,803	**4,627**	15,792	**28,533**	43,398
Segment liabilities	**8,018**	646,178	**—**	1,455	**7,169**	699,346	**15,187**	1,346,979
Capital expenditure	**661**	491	**—**	—	**28**	—	**689**	491
Depreciation	**1,708**	2,032	**—**	—	**36**	—	**1,744**	2,032

16. SEGMENT INFORMATION *(Continued)*

(b) Geographical segments

The following table presents revenue, result and certain assets and expenditure for the Group's geographical segments for the two years ended 31 March 2004 and 2003:

	Hong Kong & PRC *HK$'000*		Australia *HK$'000*		Consolidated *HK$'000*	
	2004	2003	**2004**	2003	**2004**	2003
REVENUE						
External revenue	**—**	—	**9,996**	16,881	**9,996**	16,881
Other revenue	**186**	386	**83**	25	**269**	411
Total revenue	**186**	386	**10,079**	16,906	**10,265**	17,292
SEGMENT RESULTS	**(6,539)**	(12,981)	**(1,820)**	8,079	**(8,359)**	(4,902)
Other information:						
Segment assets	**4,644**	20,614	**23,889**	22,784	**28,533**	43,398
Capital expenditure	**28**	—	**661**	491	**689**	491

For the year ended 31 March 2004

17. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

	Cold storage warehouse HK$'000 (note (a))	Other land and buildings HK$'000 (note (b))	Furniture, machinery and equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost or valuation					
At 1 April 2003	14,616	2,920	10,692	2,271	30,499
Exchange adjustments	3,793	—	2,474	159	6,426
Additions	—	—	689	—	689
Disposals	—	(1,300)	(5,129)	(1,744)	(8,173)
At 31 March 2004	18,409	1,620	8,726	686	29,441
Comprising:					
At cost	—	—	8,726	686	9,412
At valuation — 2001	—	1,620	—	—	1,620
At valuation — 2004	18,409	—	—	—	18,409
	18,409	1,620	8,726	686	29,441
Depreciation and amortisation					
At 1 April 2003	257	124	7,830	1,990	10,201
Exchange adjustments	67	—	1,732	86	1,885
Charge for the year	886	35	741	82	1,744
Impairment loss	—	1,531	—	—	1,531
Eliminated on disposals	—	(70)	(3,281)	(1,698)	(5,049)
Write back on revaluation	(612)	—	—	—	(612)
At 31 March 2004	598	1,620	7,022	460	9,700
Net book value					
At 31 March 2004	17,811	—	1,704	226	19,741
At 31 March 2003	14,359	2,796	2,862	281	20,298

For the year ended 31 March 2004

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

THE COMPANY

	Motor vehicles *HK$'000*
Cost	
At 1 April 2003	1,658
Disposals	(1,658)
At 31 March 2004	—
Depreciation	
At 1 April 2003	1,658
Eliminated on disposals	(1,658)
At 31 March 2004	—
Net book value	
At 31 March 2004	—
At 31 March 2003	—

For the year ended 31 March 2004

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The net book value of properties held by the Group at the balance sheet date comprises:

	2004		2003	
	Cold storage warehouse	**Other land and buildings**	Cold storage warehouse	Other land and buildings
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Held outside Hong Kong				
Under freehold	**17,811**	**—**	14,359	—
Under long lease	**—**	**—**	—	1,561
Under medium-term lease	**—**	**—**	—	1,235
	17,811	**—**	14,359	2,796

(a) Australian cold storage warehouse was revalued by Chesterton International (NSW) Pty. Limited in July 2003, on an open market existing use basis, at approximately HK$18,409,000.

(b) Certain other land and buildings of the Group located outside Hong Kong were revalued by Chesterton Petty Limited as at 31 March 2001, on an open market existing use basis, at the amount of approximately HK$1,620,000. The Group has fully provided for these properties resulting in an aggregate impairment loss of approximately HK$1,363,000 charged to the consolidated income statement during the year, which represented the carrying value of approximately HK$1,531,000 netting off the related asset revaluation reserve of approximately HK$168,000 in respect of these properties.

18. INTERESTS IN SUBSIDIARIES

	The Company	
	2004	2003
	HK$'000	*HK$'000*
Unlisted shares, at cost	**—**	392,541
Amounts due from subsidiaries	**389,645**	1,987,174
	389,645	2,379,715
Less: Impairment losses recognised	**(385,862)**	(1,857,819)
	3,783	521,896

Particulars of the Company's principal subsidiaries as at 31 March 2004 are set out in note 31 to the financial statements.

The amounts due from subsidiaries have no fixed terms of repayment, are unsecured and interest free (2003: HK$93,721,000 bearing interest at the rates ranging from 1% to 1.75% above the prevailing Hong Kong prime interest rate per annum).

None of the subsidiaries had any loan capital outstanding at the end of the year or at any time during the year.

For the year ended 31 March 2004

19. TRADE AND OTHER RECEIVABLES

Included in the Group's trade and other receivables as at 31 March 2003 were current account with the former Provisional Liquidators of the Company for funds arising from realisation of assets of approximately HK$8,217,000.

Trade receivables

The Group allows an average credit period of 60 days to its trade customers.

Details of the aged analysis of trade receivables of the Group are as follows:

	The Group	
	2004	2003
	HK$'000	*HK$'000*
0 — 30 days	**695**	1,138
31 — 60 days	**258**	417
61 — 180 days	**93**	227
More than 180 days	**227**	37
	1,273	1,819

20. TRADE AND OTHER PAYABLES

Included in trade and other payables were interests payable of approximately HK$37,000 (2003: HK$77,436,000) and trade payables of approximately HK$1,065,000 (2003: HK$919,000) with aged analysis as follows:

	The Group	
	2004	2003
	HK$'000	*HK$'000*
0 — 30 days	**375**	680
31 — 60 days	**102**	98
61 — 90 days	**41**	2
More than 90 days	**547**	139
	1,065	919

21. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries have no fixed repayment terms, are unsecured and interest free (2003: HK$67,493,000 bearing interest at the rate of 8% per annum).

22. CONVERTIBLE NOTE

On 7 January 2004, the Company entered into a subscription agreement with an independent third party for the issuance of convertible note with an aggregate value of HK$5,000,000. The convertible note is convertible into ordinary shares of the Company of HK$0.01 each at the conversion price of HK$0.01 per share for the period from 10 May 2004 to 31 December 2004.

23. BANK AND OTHER BORROWINGS

Bank and other borrowings comprise:

	The Group		The Company	
	2004	2003	**2004**	2003
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Bank and other loans (including interest capitalised of HK$nil (2003: HK$13,130,000))	**5,710**	512,956	**—**	508,025
Bank overdrafts	**—**	2,628	**—**	2,628
	5,710	515,584	**—**	510,653
Analysed as:				
Secured	**5,710**	170,334	**—**	165,404
Unsecured	**—**	345,250	**—**	345,249
	5,710	515,584	**—**	510,653
The bank and other borrowings are repayable as follows:				
Within one year or on demand	**742**	515,584	**—**	510,653
More than one year, but not exceeding two years	**594**	—	**—**	—
More than two years, but not exceeding five years	**1,781**	—	**—**	—
Over five years	**2,593**	—	**—**	—
	5,710	515,584	**—**	510,653
Less: Amount due within one year or on demand and shown under current liabilities *(note)*	**(742)**	(515,584)	**—**	(510,653)
Amount due after one year	**4,968**	—	**—**	—

Note: As at 31 March 2003, the Group's and the Company's borrowings from the creditor banks were not repaid according to the schedules set by the creditor banks and, consequently, were due for immediate repayment, and accordingly, the entire outstanding amounts were reclassified as current liabilities.

For the year ended 31 March 2004

24. SHARE CAPITAL

	Note	No. of shares	Value HK$'000
Authorised:			
At 1 April 2002 and 31 March 2003 ordinary shares of HK$0.05 each		20,000,000,000	1,000,000
Unissued shares cancelled		(18,452,957,171)	(922,648)
		1,547,042,829	77,352
Capital reduction of par value from HK$0.05 to HK$0.0006 each	*(a)*	—	(76,424)
		1,547,042,829	928
Consolidation of every 100 shares to 1 share at HK$0.06 each	*(b)*	(1,531,572,400)	—
		15,470,429	928
Subdivided each share into 6 shares at HK$0.01 each	*(c)*	77,352,141	—
		92,822,570	928
Increase during the year	*(f)*	9,907,177,430	99,072
At 31 March 2004 ordinary shares of HK$0.01 each		10,000,000,000	100,000
Issued and fully paid:			
At 1 April 2002 and 31 March 2003 ordinary shares of HK$0.05 each		1,547,042,829	77,352
Capital reduction of par value from HK$0.05 to HK$0.0006 each	*(a)*	—	(76,424)
		1,547,042,829	928
Consolidation of every 100 shares to 1 share at HK$0.06 each	*(b)*	(1,531,572,400)	—
		15,470,429	928
Subdivided each share into 6 shares at HK$0.01 each	*(c)*	77,352,141	—
		92,822,570	928
Issue upon settlement of debts	*(d)*	96,000,000	960
Issue of shares	*(e)*	4,600,000,000	46,000
At 31 March 2004 ordinary shares of HK$0.01 each		4,788,822,570	47,888

24. SHARE CAPITAL *(Continued)*

Note: A special resolution was passed on 14 November 2003.

It was resolved to:

(a) reduce the par value of the 1,547,042,829 ordinary shares in issue up to 5 December 2003 in the Company from HK$0.05 to HK$0.0006 by cancellation of HK$0.0494 paid up on each issued share. On the basis of 1,547,042,829 ordinary shares in issue at the date of capital reduction, a credit of HK$76,423,916 was raised;

(b) consolidate the issued share capital of the Company for every 100 shares of HK$0.0006 each into one share of HK$0.06 each following the capital reduction as mentioned in note 24 (a) above;

(c) subdivide each authorised and issued share of the Company into 6 subdivided shares of HK$0.01 each;

(d) issue 96,000,000 ordinary shares of HK$0.01 each to the scheme creditors for the settlement of the indebtedness owned by the Company to the scheme creditors;

(e) issue 4,600,000,000 ordinary shares of HK$0.01 each to MRL for net cash proceeds of HK$38 million. Further details of the transaction are set out in the Company's press announcement dated 5 December 2003.

(f) The authorised share capital of the Company was increased from HK$928,000 to HK$100,000,000 by creation of an additional 9,907,177,430 new ordinary shares of HK$0.01 each ranking pari passu in all respects with the existing ordinary shares of the Company.

New ordinary shares issued pursuant to 24(d) and (e) above rank pari passu in all respects with the existing ordinary shares of the Company.

25. SHARE OPTION SCHEME

Pursuant to the Company's share option scheme adopted on 30 September 1999 (the "Share Option Scheme"), the Board of Directors of the Company may, at its discretion, grant options to any eligible employees of the Company or any of its subsidiaries (including executive directors and other officers of the Company or its subsidiaries) to subscribe for shares in the Company in accordance with the terms of the Share Option Scheme. The Share Option Scheme is to remain in force for 5 years from 30 September 1999.

The exercise price of the options shall be determined by the Directors of the Company, being not less than 80% of the average closing prices of the shares in the Company for the five trading days immediately preceding the date of offer of the option, or the nominal value of the shares, whichever is higher. The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the issued share capital of the Company from time to time.

25. SHARE OPTION SCHEME *(Continued)*

Subsequent to the amendment of Chapter 17 of the Listing Rules with effect from 1 September 2001, no further share options were granted under the Share Option Scheme to any eligible employees of the Company or any of its subsidiaries (including executive directors and other officers of the Company or its subsidiaries) to subscribe for shares in the Company in accordance with the terms of the Share Option Scheme. There was no outstanding balance at beginning and end of the year and there was no movements in the share options granted under the Share Option Scheme during the year.

26. RETIREMENT BENEFIT SCHEMES

With effect from 1 December 2000, the Group has also joined a MPF Scheme for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme.

The MPF Scheme is available to all employees aged 18 to 64 and with at least 60 days of service under the employment of the Group in Hong Kong. Contributions are made by the Group at 5% based on the staff's relevant income. The maximum relevant income for contribution purpose is HK$20,000 per month. Staff members are entitled to 100% of the Group's contributions together with accrued returns irrespective of their length of service with the Group, but the benefits are required by law to be preserved until the retirement age of 65.

27. COMMITMENTS

The Group and Company did not have any significant capital and operating lease commitments as at the balance sheet date.

28. CONTINGENT LIABILITIES

(a) The Company's guarantees given to financial institutions in respect of credit facilities utilised by its subsidiaries amounting to approximately HK$5.7 million (2003: HK$193 million, out of which approximately HK$188 million was fully crystallised and converted into liabilities upon default in repayment by the subsidiaries).

28. CONTINGENT LIABILITIES *(Continued)*

(b) During the year, the Company received a Writ of Summons issued by the Former Investors against the Company claiming for breach of the Former Restructuring Agreement made between the Former Investors and the Company to implement a restructuring proposal for the Company whereby the Former Investors asked for damages and losses suffered in the sum of approximately HK$47.7 million. However the claim was struck out by an order of the High Court of Hong Kong on 21 May 2004 as referred to in the Company's announcement dated 7 June 2004. The Company was informed by its lawyer on 5 June 2004 that the appeal period has expired but no appeal has been lodged by the Former Investors.

(c) At 31 March 2004, the Company has contingent liabilities in respect of litigation commenced by a scheme creditor. In previous year, the scheme creditor submitted a notice of claim to the former Provisional Liquidators of the Company who considered that the scheme creditor was unable to provide sufficient evidence to demonstrate that it had suffered any loss or damage as a result of any action taken by the Company. Its claim had therefore been rejected. The scheme creditor subsequently during the year commenced a litigation in the California Court of the United States of America for compensatory damages and punitive damages in total for approximately US$4.2 million. The Directors of the Company, after having consulted the legal counsel, believe the Company has a motion to dispose of the case and therefore had made no provision in the consolidated income statement for the year ended 31 March 2004.

29. CHARGES ON ASSETS

At the balance sheet date, the following assets of the Group have been pledged to secure credit facilities granted to and utilised by the Group:

	The Group	
	2004	2003
	HK$'000	*HK$'000*
Property, plant and equipment	**19,335**	16,802
Other receivables	**—**	52
Bank deposits	**—**	1,692
	19,335	18,546

For the year ended 31 March 2004

30. RELATED PARTY TRANSACTIONS

Details of significant related party transactions during the year disclosed pursuant to SSAP 20 "Related party disclosures" issued by the HKSA are as follows:

	The Group		The Company	
	2004	2003	**2004**	2003
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Interest income from I-China Holdings Limited Group	**184**	372	**—**	—
Management fee to Integrated Project Solutions Limited	**80**	—	**—**	—

Interest income and expense were calculated with reference to prevailing market rates. Management fee was based on space occupied and costs incurred.

Save as disclosed above and elsewhere in the financial statements, there were no other significant transactions with related parties during the year or significant balances with them at the end of the year.

For the year ended 31 March 2004

31. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2004 are as follows:

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share	Percentage of issued share capital held by the Company*/ subsidiaries %	Percentage of issued share capital attributable to the Group %	Principal activities
Allied National Ltd.	British Virgin Islands/ Hong Kong	US$1 share	100*	100	Investment holding
Australian Service Cold Storage (N.S.W.) Pty Ltd.	Australia	A$2,500,002 shares	100	100	Dormant
iPowerB2B.com Limited	Hong Kong	HK$2 shares	100	100	Investment holding
iPower Holdings Limited	British Virgin Islands/ Hong Kong	US$45,000 shares	100*	100	Investment holding
iPower Warehousing Management System Limited	British Virgin Islands/ Hong Kong	US$1 share	100	100	Warehousing management system holding
Pentagon Profits Limited	British Virgin Islands	US$1 share	100*	100	Dormant
Seapower China Investments Limited	Hong Kong/PRC	HK$2 shares	100	100	Logistics management services
Seapower Developments (Indonesia) Limited	British Virgin Islands	US$1 share	100*	100	Dormant
Seapower Resources Australia Pty Ltd	Australia	A$7,000,002 shares	100	100	Investment holding

31. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation/ operation	Issued and fully paid ordinary share	Percentage of issued share capital held by the Company*/ subsidiaries %	Percentage of issued share capital attributable to the Group %	Principal activities
Seapower Resources Investment Pty Ltd.	Australia	A$2,000,002 shares	100	100	Investment holding
Seapower Resources Gosford Pty Ltd.	Australia	A$4,200,002 shares	100	100	Cold storage warehousing
Seapower Secretaries Limited	Hong Kong	HK$100 shares	100*	100	Provision secretarial services
Topcrown Investments Limited	Hong Kong	HK$10,000 shares	100*	100	Management services

The above table lists the subsidiaries of the Company and of the Group which, in the opinion of the Directors of the Company, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries, associates and jointly controlled entities would, in the opinion of the Directors of the Company, result in particulars of excessive length.

32. DE-CONSOLIDATION/DISPOSAL OF SUBSIDIARIES

	2004	2003
	HK$'000	*HK$'000*
Net assets disposed of:		
Trade and other receivables	**9,477**	—
Other investments	**52**	—
Restricted deposits	**1,693**	—
Cash and bank balances	**573**	—
Trade and other payables	**(11,780)**	—
Amounts due to liquidated subsidiaries	**(652,064)**	—
Amount due to a joint venture	**(144)**	—
Amounts due to group companies	**—**	(14)
Provision for taxation	**(23,471)**	(642)
Minority interests	**(491)**	—
	(676,155)	(656)
Capital reserve realised on disposal	**(29,949)**	—
Translation reserve realised on disposal	**21**	—
Gain on de-consolidation/ disposal of subsidiaries	**706,083**	656
Consideration	**—**	—
Satisfied by:		
Accounts receivable — others	**—**	—

Analysis of the net outflow of cash and cash equivalents in respect of the de-consolidation of subsidiaries:

	2004	2003
	HK$'000	*HK$'000*
Cash and bank balances disposed of	**(573)**	—

The subsidiaries de-consolidated of during the year did not have a material contribution to the net cash flows or results of the Group for the year.