NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 March 2004

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants ("HKSA") and the disclosure requirements set out in Appendix 16 of the Listing Rules of The Stock Exchange of the Hong Kong Limited. This interim report should be read in conjunction with the annual financial statements for the year ended 30 September 2003.

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the Group's annual financial statements for the year ended 30 September 2003, except that the Group has changed its accounting policy following the adoption of the revised SSAP 12 "Income Taxes" issued by the HKSA which is effective for accounting periods commencing on or after 1 January 2003, and the adoption of the new accounting policy for investment securities.

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 accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

1. **BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)**

In prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the new SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

As detailed in the Condensed Consolidated Statement of Changes in Equity, the accumulated losses at 1 October 2003 have been increased by approximately HK$11,000 which represents the previously unprovided deferred tax liabilities. In addition, the loss for the six months ended 31 March 2003 has been reduced by approximately HK$3,000.

Investment securities

Investment securities are stated at cost less any provision for impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair values have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities will be reduced to its fair value. The impairment loss is recognised as an expense in the income statement. This impairment loss is written back to income statement when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

2. SEGMENTAL INFORMATION

The Group's turnover and results for the six months ended 31 March 2004 analysed by business segments and geographical segments are as follows:

Business segments

For the six months ended 31 March 2004

	Continuing operations				Discontinuing operations	
	Cruise leasing and management	Travel	Retail	Investment holding	Construction services	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	Notes (a) and (b)	Note (c)	Note (d)		Note (e)	
Turnover	12,118	1,328	66,284	–	25,047	104,777
Other revenue	–	–	248	4,279	–	4,527
	12,118	1,328	66,532	4,279	25,047	109,304
Segment results	8,291	(295)	3,076	(1,454)	293	9,911
Finance costs						(267)
Profit before taxation						9,644

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

2. SEGMENTAL INFORMATION (Continued)

Business segments (Continued)

For the six months ended 31 March 2003

	Continuing operations			
	Retail HK$'000 *Note (d)*	Investment holding HK$'000	Construction services HK$'000 *Note (e)*	Consolidated HK$'000
Turnover	34,119	–	16,431	50,550
Other revenue	40	142	8	190
	34,159	142	16,439	50,740
Segment results	(265)	2,945	(778)	1,902
Finance costs				(3,253)
Loss before taxation				(1,351)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

2. SEGMENTAL INFORMATION (Continued)

Geographical segments

For the six months ended 31 March 2004

	Turnover		Segment results	
	2004	2003	**2004**	2003
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**92,659**	50,550	**1,620**	1,902
South China Sea, other than in Hong Kong	**12,118**	–	**8,291**	–
	104,777	50,550	**9,911**	1,902

Notes:

a) On 9 December 2003, Access Success Developments Limited ("Access Success"), a wholly owned subsidiary of the Company, together with two independent third parties (the "Purchasers") entered into a conditional agreement to acquire 55%, 30% and 15% interest in a cruise ship and inventories respectively for a total consideration of approximately HK$94.6 million of which HK$52 million shall be paid by Access Success. On the same date, the Purchasers entered into a memorandum to lease the cruise ship and inventories to a cruise operator ("Cruise Operator") for a period of 36 months commencing from the date of delivery of the cruise ship by the Purchasers to the Cruise Operator. Details of the transactions are set out in the circular dated 24 December 2003 issued by the Company. The transactions have been completed on 12 January 2004.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

2. SEGMENTAL INFORMATION (Continued)

b) On 10 March 2004, Capture Success Limited, a subsidiary of the Group entered into an agreement to acquire the entire issued share capital of Hover Management Limited ("Hover"), a company incorporated in Hong Kong for a consideration of HK$1. Hover is principally engaged in the management of the cruise ship owned by the Group. The fair value of the net identifiable liabilities of Hover attributable to the Group at the date of acquisition was approximately HK$1,250,000. The resulting goodwill of approximately HK$1,250,000 will be amortised on a straight-line basis over 10 years.

The assets and liabilities arising from the acquisition are as follows:

	HK$'000
Property, plant and equipment	2,517
Cash and bank balances	2,315
Prepayment and deposits paid	1,075
Inventory	554
Trade payables	(7)
Other payables and accruals	(8,727)
Minority interest	1,023
	(1,250)
Goodwill	1,250
Total purchase consideration	–

c) In October 2003, the Group formed a subsidiary to engage in the travel agency business which includes selling of air tickets and hotel packages.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

2. SEGMENTAL INFORMATION (Continued)

d) On 12 March 2004, a wholly owned subsidiary entered into an agreement to dispose of its entire 60% interest in the issued capital of Marcello (Tax Free) International Department Store Corporation Limited ("Marcello") at a consideration of HK$8,200,000. The principal activity of Marcello is trading as a department store. The disposal is scheduled to complete on or before 30 June 2004. The details of the disposal are set out in note 15 to the condensed financial statements.

e) On 26 March 2004, a wholly owned subsidiary entered into an agreement to dispose of a wholly owned subsidiary namely Fine Lord Construction Company Limited ("Fine Lord") at a consideration of HK$5,800,000. Fine Lord was engaged in the business of construction services. The details of the disposal are set out in note 13 to the condensed financial statements.

3. (LOSS)/GAIN ON DISPOSAL OF SUBSIDIARIES

During the six months ended 31 March 2004, the Group disposed of its entire interest in Fine Lord Construction Company Limited, Total Power Trading Limited, Gain Source Limited for a total consideration of approximately HK$5,800,000 and recorded a loss of approximately HK$205,000 on the disposals. The disposal of Fine Lord constitutes a connected transaction. The details of which are set out in note 13 to the condensed financial statements.

During the six months ended 31 March 2003, the Company disposed of its entire interest in Denton Capital Investments Limited with net liabilities of approximately HK$4,629,000 at the date of disposal for a consideration of HK$1.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

4. PROFIT FROM OPERATIONS

Profit from operations is arrived at after (crediting)/charging the following:

	Six months ended 31 March	
	2004	2003
	HK$'000	HK$'000
Crediting:		
Interest income	**(144)**	–
Write back of long outstanding payables	**(1,764)**	–
Exchange gain	**(210)**	–
Reverse of overprovision for litigation	**(2,075)**	–
Charging:		
Auditors' remuneration	**77**	–
Depreciation and amortisation		
– owned assets	**2,049**	769
– assets held under finance lease	**–**	34
Amortisation of goodwill included in other operating expense	**145**	379

5. TAXATION

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits for the period. The amount of taxation in the condensed consolidated income statement represents:

	Six months ended 31 March	
	2004	2003
	HK$'000	HK$'000
Current taxation	**588**	5
Deferred taxation	**41**	(3)
Tax charge	**629**	2

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

6. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the net profit/(loss) from ordinary activities attributable to shareholders of approximately HK$4,314,000 (loss of HK$1,397,000 for the six months ended 31 March 2003) and on the weighted average of 1,562,500,299 ordinary shares (149,064,233 ordinary shares for the six months ended 31 March 2003) in issue during the period. The weighted average number of shares for the six months ended 31 March 2003 has been adjusted for the effect of consolidation of the Company's shares.

No diluted earnings/(loss) per share is presented for either period as there are no dilutive ordinary shares in issue.

7. NON-CURRENT ASSETS

	Goodwill	Property, plant and equipment	Investment securities
	HK$'000	HK$'000	HK$'000
Opening net book value	5,633	6,346	–
Additions	–	95,378	2,500
Acquisition of a subsidiary	1,250	2,517	–
Amortisation	(145)	–	–
Depreciation	–	(2,049)	–
Disposals of subsidiaries	(3,317)	(3,615)	–
Closing net book value	3,421	98,577	2,500

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

8. TRADE RECEIVABLES

The credit term granted by the Group to its trade customers normally ranges from 30 to 60 days. An aged analysis of trade receivables is as follows:

	31 March 2004 HK$'000	30 September 2003 HK$'000
Current to 30 days	**1,609**	8,464
31 to 60 days	**81**	3,936
61 to 90 days	–	1,748
Retention receivable	–	5,332
	1,690	19,480

9. TRADE PAYABLES

An aged analysis of trade payables is as follows:

	31 March 2004 HK$'000	30 September 2003 HK$'000
Current to 30 days	**157**	6,514
31 to 60 days	**41**	1,517
61 to 90 days	**5**	–
Over 90 days	**5**	5,526
Retention payable	–	2,752
	208	16,309

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

10. DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using a tax rate of 17.5% (2003: 17.5%).

a) The movement in deferred tax (assets) and liabilities during the period is as follows:

	Deferred tax liabilities		Deferred tax assets		Total	
	2004	2003	**2004**	2003	**2004**	2003
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
At beginning of the period	**11**	–	**–**	–	**11**	–
Charged to the income statement	**255**	–	**(214)**	(3)	**41**	(3)
At end of the period	**266**	–	**(214)**	(3)	**52**	(3)

b) The Group has not recognised deferred tax assets approximately HK$6,927,000 and HK$6,445,000 in respect of tax losses as at 31 March 2004 and 2003.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

11. SHARE CAPITAL

	31 March 2004		30 September 2003	
	Number of shares	Nominal value	Number of shares	Nominal value
	'000	HK$'000	'000	HK$'000
Authorised:				
Ordinary shares of HK$0.01 each (2002: HK$0.4 each)				
At beginning of the period	**160,000,000**	**1,600,000**	4,000,000	1,600,000
Share consolidation	–	–	(3,600,000)	–
Increase during the period	–	–	159,600,000	–
At end of the period	**160,000,000**	**1,600,000**	160,000,000	1,600,000
Issued and fully paid:				
At beginning of the period	**1,490,264**	**14,903**	1,490,642	596,257
Decrease pursuant to share consolidation	–	–	(1,341,578)	–
Capital reduction	–	–	–	(594,766)
Share subscription	–	–	1,043,200	10,432
Share placement (*Note*)	**97,200**	**972**	298,000	2,980
At end of the period	**1,587,464**	**15,875**	1,490,264	14,903

Note:

On 3 November 2003, the Company entered into a placing agreement ("Placing Agreement") with an independent placing agent in relation to the placing of 97,200,000 new shares of HK$0.01 each in the Company, on a best effort basis, at a placing price of HK$0.4325 per share, amounting to a total consideration of approximately HK$42 million. The Placing Agreement was completed on 17 November 2003.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

12. CAPITAL COMMITMENTS

a) Operating lease commitments

At the balance sheet date, the Group had the following commitments for future lease payment under non-cancellable operating leases which fall due as follows:

	Group		Company	
	31 March 2004 HK$'000	30 September 2003 *HK$'000*	**31 March 2004 HK$'000**	30 September 2003 *HK$'000*
Within one year	**1,861**	1,199	**457**	419
In the second to fifth years, inclusive	**1,742**	1,417	**552**	762
	3,603	2,616	**1,009**	1,181

b) Capital commitments

At 31 March 2003 and 2004, the Group had no capital commitments.

13. SIGNIFICANT RELATED PARTY TRANSACTIONS

On 26 March 2004, a wholly owned subsidiary entered into an agreement to dispose of a wholly owned subsidiary namely Fine Lord Construction Company Limited ("Fine Lord") at a consideration of HK$5,800,000. The purchaser, Mr. Chan Chung Chiu ("Mr. Chan"), is a director of Fine Lord. Therefore, the transaction constitutes a connected transaction. The consideration was arrived at after arm's length negotiations between the Company and Mr. Chan. The consideration was satisfied by the release of a promissory note with outstanding amount of approximately HK$5,873,000. Details of this transaction were set out in an announcement of the Company dated 31 March 2004.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS *(Continued)*

For the six months ended 31 March 2004

14. LITIGATION

In April 2004, the Company paid USD375,000 to Guido Giacometti, a trustee of the estate of Mr. Sukamto Sia fka Sukarman Sukamto ("Mr. Sukamto"), a former director and substantial shareholder of the Company, to settle the proceedings against the Company in the U.S. Bankruptcy Court in the District of Hawaii claiming against the Company, among other things, the sum of US$594,027 (of which US$500,000 being partial refund of the deposit and US$94,027 being interest accrued upon), together with attorneys' fees and costs. A provision of HK$5,000,000 was made in prior years, as such, the overprovision of approximately HK$2,075,000 was reversed and included in other revenue during the period.

15. POST BALANCE SHEET EVENTS

On 12 March 2004, a wholly owned subsidiary entered into an agreement to dispose of its entire 60% interest in the issued capital of Marcello (Tax Free) International Department Store Corporation Limited ("Marcello") at a consideration of HK$8,200,000. The disposal is scheduled to complete on or before 30 June 2004.