

Notes to the Accounts

For the year ended 30 April 2004

1. CORPORATE INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Group was involved in the following principal activities:

- corporate investment and trading in securities; and
- property investment and management consultancy

In the opinion of the directors, the ultimate holding company is Smartgood Investments Limited ("Smartgood"), a company incorporated with limited liability under the laws of the British Virgin Islands.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the accounts are set out as below:

(a) Basis of preparation

The accounts have been prepared in accordance with generally accepted accounting principles in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost convention except that, as disclosed in the accounting policies below, short term listed investments are stated at fair value.

In the current year, the Group has adopted the following Statement of Standard Accounting Practice ("SSAP") issued by the HKSA which is effective for accounting periods commencing on or after 1 January 2003:

SSAP 12 (revised) : Income taxes

The change to the Group's accounting policy and the effect of adopting this revised standard are set out in notes 2(i), 9 and 23 to the accounts.

(b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries for the year ended made up to 30 April 2004. The results of subsidiaries acquired or disposed of during the year are consolidated from or to their effective dates of acquisition or disposal, respectively. All significant inter-company transactions and balances within the Group are eliminated on consolidation.

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2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(b) Consolidation *(Continued)*

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 unamortised goodwill or negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account.

(c) Subsidiaries

Subsidiaries are those entities in which the Group controls, directly or indirectly, the composition of the board of directors, controls more than half of the voting power or holds more than half of issued share capital.

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

(d) Goodwill/negative goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair values of the Group's share of the net assets of the acquired subsidiaries, jointly controlled entities or associates at the date of acquisition.

Negative goodwill arising on consolidation represents the excess of the fair values of the Group's share of the net assets of the acquired subsidiaries, jointly controlled entities or associates at the date of acquisition over the cost of acquisition.

Previously, goodwill/negative goodwill arising on consolidation/acquisition of subsidiaries, jointly controlled entities or associates is eliminated against reserves/taken to reserves in the year of acquisition. In accordance with SSAP 30 which is effective for accounting period beginning on or after 1 January 2001, goodwill arising from acquisitions occurring on or after 1 January 2001 is capitalised and is amortised to the profit and loss account on a straight line basis over its estimated useful life not exceeding 20 years, while for acquisitions after 1 January 2001 negative goodwill is presented separately as a deduction from assets and is released as income to the profit and loss account on a straight line basis over its estimated useful life not exceeding 20 years. Any impairment of the goodwill will be recognised as an expense in the profit and loss account.

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For the year ended 30 April 2004

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(d) Goodwill/negative goodwill *(Continued)*

The Group has taken advantage of the transitional provisions of SSAP 30 by not restating negative goodwill previously taken to reserves in which it arises. The directors consider that the negative goodwill totalling HK\$41,796,000 (*note 22*) which was quantified and recognised in prior periods will be credited to the profit and loss account at the time of disposal of the relevant jointly controlled entities by the Group.

Upon the disposal of an interest in a subsidiary, a jointly controlled entity or an associate, the attributable negative goodwill, or amount of purchased goodwill, which had previously been eliminated against reserves and had not previously been charged to the profit and loss account, is credited or charged to the profit and loss account to determine the gains or losses on sale of investments.

(e) Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

(f) Jointly controlled entities

A jointly controlled entity 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 Group's share of the post-acquisition results and reserves of jointly controlled entities is included in the consolidated profit and loss account and consolidated reserves, respectively. The Group's interests in jointly controlled entities are stated in the consolidated balance sheet at the Group's share of net assets of the jointly controlled entities.

Equity accounting for the Group's interests in jointly controlled entities is discontinued when the carrying amount of the interests in jointly controlled entities reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the jointly controlled entities.

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

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For the year ended 30 April 2004

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(g) Fixed assets

(i) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Fixed assets are depreciated at rates sufficient to write off their costs less any accumulated impairment losses over their estimated useful lives on a straight line basis. The principal annual rates are as follows:

Furniture, fixtures and equipment	15%
Motor vehicles	25%

(ii) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to accumulated losses and is shown as a movement in reserves.

(h) Short term listed investments

Short term listed investments are carried at fair value. At each balance sheet date the net unrealised gains or losses arising from the changes in fair value of the investments are recognised in the profit and loss account.

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For the year ended 30 April 2004

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(i) 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.

In the current year, the Group had adopted SSAP 12 (revised) Income Taxes. This principal effect of the implementation of SSAP 12 (revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method, i.e. a liability was recognised in respect of timing differences arising, except where those timing difference were not expected to reverse in the foreseeable future. SSAP 12 (revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, with limit exceptions. The adoption of SSAP 12 (revised) represents a change in accounting policy which has no material effect on the Group's prior years' net assets and its results for the current or prior accounting periods. Accordingly, no prior year adjustment is required.

(j) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, payments made under operating leases net of any incentives received from the lessor are charged to the profit and loss account on a straight line basis over the lease periods.

(k) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the controls of the Group. It can also be a present obligation arising from past events that are not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

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For the year ended 30 April 2004

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

(l) Turnover

Turnover represents property investment and management consultancy revenues, the net amounts received and receivable from sales of listed investments.

(m) Translation of foreign currencies

Transactions in foreign currencies 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 profit and loss account.

The balance sheet of subsidiaries, jointly controlled entities and associates 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 the weighted average rate. Exchange differences are dealt with as a movement in reserves.

(n) Revenue recognition

Revenue from sales of short term listed investments

Income arising from sales of short term listed investments is recognised on the completion of transfer of risks and rewards of ownership of the investments to the transferee and the legal title being passed.

(o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligations as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(p) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leaves are not recognised until the time of leave.

(ii) *Profits sharing and bonus plans*

Provision for profit sharing and bonus payments due wholly within twelve months after balances sheet date are recognised as a liability when the Company has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) *Retirement benefit costs*

The Company's contributions to the defined contribution retirement scheme set up pursuant to the Hong Kong Mandatory Provident Fund Schemes Ordinance (the "MPF" Scheme) for all qualifying employers are expensed as incurred. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(q) Segment reporting

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

The Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

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For the year ended 30 April 2004

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

(q) Segment reporting *(Continued)*

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment and those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidated 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.

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(s) Related parties

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. Related parties may be individuals or corporate entities.

Notes to the Accounts

For the year ended 30 April 2004

3. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION

During the year, the Group has been principally engaged in the business of corporate investment, trading in securities, property investment and management consultancy. Revenues recognised during the year are as follows:

	2004	2003
	HK\$'000	HK\$'000
TURNOVER		
Property investment and management consultancy	—	1,599
Corporate investment and trading in securities	43,930	19,197
	43,930	20,796
OTHER REVENUES		
Other interest income	—	2
Gain on disposal of fixed assets	—	72
Overprovision on accounts receivable	—	2,110
Other income	—	34
	—	2,218
Total turnover and other revenues	43,930	23,014

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Business and geographical segments

The segment information set out below is based on the requirements of SSAP 26 "segment reporting".

Business segments

The following operations are the basis on which the Group reports its primary segment information. There are no sales or other transactions between the business segments.

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For the year ended 30 April 2004

3. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

	Property investment and management consultancy HK\$'000	Corporate investment and trading in securities HK\$'000	Group 2004 HK\$'000
Turnover	—	43,930	43,930
Segment results	(11,294)	(1,600)	(12,894)
Net gain on deconsolidation and disposal of subsidiaries			4,058
Losses on changes in fair values of short term listed investments			(7,564)
Unallocated costs less revenue			(18,290)
Loss attributable to shareholders			(34,690)
Segment assets	66,367	54,455	120,822
Unallocated assets			17
Total assets			120,839
Segment liabilities	(5,399)	(19,842)	(25,241)
Unallocated liabilities			(20,194)
Total liabilities			(45,435)
Capital expenditure	238	—	238
Depreciation	12	—	12

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3. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (Continued)

Business segments (Continued)

	Property investment and management consultancy HK\$'000	Corporate investment and trading in securities HK\$'000	Group 2003 HK\$'000
Turnover	<u>1,599</u>	<u>19,197</u>	<u>20,796</u>
Segment results	<u>(3,343)</u>	<u>(2,898)</u>	<u>(6,241)</u>
Net gain on deconsolidation and disposal of subsidiaries			132,780
Losses on changes in fair values of short term listed investments			(22,838)
Gain on debt restructuring			664,419
Unallocated costs less revenue			<u>(82,436)</u>
			685,684
Share of profits less losses of jointly controlled entities			<u>(4,561)</u>
Profit before taxation			681,123
Taxation			<u>(5)</u>
Profit attributable to shareholders			<u><u>681,118</u></u>
Segment assets	<u>5,636</u>	<u>22,710</u>	28,346
Unallocated assets			<u>20,343</u>
Total assets			<u><u>48,689</u></u>
Segment liabilities	<u>(5,583)</u>	<u>(8,522)</u>	(14,105)
Unallocated liabilities			<u>(28,267)</u>
Total liabilities			<u><u>(42,372)</u></u>
Capital expenditure	51	—	51
Depreciation	<u>12</u>	<u>1</u>	<u>13</u>

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3. TURNOVER, OTHER REVENUES AND SEGMENT INFORMATION (Continued)

Geographical segments

The Group's operations are located in Hong Kong and other Asia-Pacific countries.

The following table provides an analysis of the Group's turnover by geographical markets, irrespective of the origin of the goods/services:

		Turnover by Geographical markets	
		2004	2003
		HK\$'000	HK\$'000
	Hong Kong and the People's Republic of China	43,930	20,447
	Other Asia — Pacific countries	—	349
		43,930	20,796

The carrying amount of assets and capital expenditure are all located within Hong Kong and the People's Republic of China.

4. NET GAIN ON DECONSOLIDATION AND DISPOSAL OF SUBSIDIARIES

		2004	2003
		HK\$'000	HK\$'000
	Gain on disposal of subsidiaries	—	90,620
	Gain on deconsolidation of subsidiaries (Note a)	4,782	42,160
	Impairment loss on subsidiaries not consolidated	(724)	—
		4,058	132,780

Note a. As detailed in note 17 to the accounts, the Company's directors are of the opinion that the investments in certain subsidiaries are held with a view to subsequent disposal in the near future and the Company is no longer in a position to provide any further finance to these companies. Accordingly, these subsidiaries are deconsolidated from the Group's accounts from the respective dates of deconsolidation resulting in gain on deconsolidation of HK\$4,782,000 (2003: HK\$42,160,000).

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5. GAIN ON DEBT RESTRUCTURING

	2004	2003
	HK\$'000	HK\$'000
Waiver of indebtedness	—	676,062
Restructuring and scheme costs	—	(11,643)
	<u>—</u>	<u>664,419</u>

The waiver of indebtedness as at 30 April 2003 of HK\$676,062,000 represented the short term loans, promissory notes, accounts payable discharged and waived by the scheme creditors on the closing date under the Restructuring Agreement.

6. OPERATING (LOSS)/PROFIT FOR THE YEAR

	2004	2003
	HK\$'000	HK\$'000
Operating (loss)/profit of the Group for the year is stated after crediting and charging the following:		
Crediting		
Interest income	—	2
Gain on disposal of fixed assets	—	72
Overprovision on accounts receivable	—	2,110
	<u>—</u>	<u>2,184</u>
Charging		
Staff costs (including directors' remuneration):		
Salaries, allowances and benefits in kind	3,568	2,157
MPF contributions	45	48
	<u>3,613</u>	<u>2,205</u>
Depreciation	12	13
Auditors' remuneration	230	283
Provision for impairment loss on other asset	—	550
Provision for impairment losses on jointly controlled entities	16,301	50,000
Provision on accounts receivable	123	—
Operating leases on land and buildings	522	1,608
	<u>16,301</u>	<u>52,451</u>

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7. FINANCE COSTS

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Interest on bank loans and overdrafts		
— wholly repayable within five years	—	4,392
Interest on other loans	906	27,865
Interest on convertible notes	400	148
	<u>1,306</u>	<u>32,405</u>

8. DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS

Directors' remuneration disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance is as follows:

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Fees:		
Executive	—	—
Non-executive	—	—
Independent non-executive	—	—
	<u>—</u>	<u>—</u>
Salaries, housing, other allowances and benefits in kind	2,500	400
MPF contributions	25	8
	<u>2,525</u>	<u>408</u>

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8. DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS (Continued)

The remuneration of the directors fell within the following bands:

	Number of directors	
	2004	2003
Nil to HK\$1,000,000	2	2
HK\$1,000,001 to HK\$2,000,000	1	—
	<u>3</u>	<u>2</u>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2003: Nil).

Five highest paid employees

Included above is three (2003: two) executive directors whose emoluments were among five highest paid individuals in the Group.

Details of the emoluments paid to two individuals who are not directors (2003: three), but whose emoluments were among the five highest in the Group are as follows:

	2004	2003
	HK\$'000	HK\$'000
Salaries, allowances and benefits in kind	862	1,501
MPF contributions	24	35
	<u>886</u>	<u>1,536</u>

The remuneration of the non-director, highest paid employees fell within the following bands:

	Number of employees	
	2004	2003
Nil to HK\$1,000,000	2	3

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9. TAXATION

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong during the year. No provision for overseas income taxes has been made as the Group operating in these countries were operating at a loss during the year. In 2003, taxation arising in other jurisdictions was calculated at the rates prevailing in the relevant jurisdictions.

The amount of taxation charged to the consolidated profit and loss account represents:

	2004 HK\$'000	2003 HK\$'000
Company and subsidiaries:		
Hong Kong profits tax	—	(4)
— overprovision for prior years	—	9
Overseas taxation	—	5
	<u>—</u>	<u>5</u>

The taxation on the Group's (loss)/profit before taxation differs from the theoretical amount that would arise using the taxation rate of 17.5% (2003:17.5%) as follows:

	2004 HK\$'000	2003 HK\$'000
(Loss)/profit before taxation	(34,690)	681,123
Calculated at a tax rate of 17.5% (2003: 17.5%)	(6,071)	119,197
Tax effect of income not subject to taxation	(1,840)	(174,804)
Tax effect of expenses not deductible for taxation purposes	5,636	58,639
Tax effect of temporary differences unrecognised for the year	(34)	(3,053)
Tax effect of utilisation of previously unrecognised tax losses	2,309	21
	<u>—</u>	<u>—</u>

10. (LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The (loss)/profit attributable to shareholders is dealt with in the accounts of the Company to the extent of a loss of HK\$37,897,000 (2003: a profit of HK\$561,152,000).

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11. DIVIDENDS

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Preference dividends		
Payable of HK\$0.151 per share on 79,990 shares (2003: HK\$0.075 on 2,549,990 shares)	12	191
Payable of HK\$0.149 per share on 41,990 shares (2003: HK\$0.149 on 1,949,990 shares)	6	291
	<u>18</u>	<u>482</u>

12. (LOSS)/EARNINGS PER SHARE

The basic (loss)/earnings per share is calculated based on the loss attributable to shareholders after preference dividends of HK\$34,708,000 (2003: profit of HK\$680,636,000) and the weighted average number of 1,437,149,021 (2003: 475,182,202) ordinary shares in issue during the year.

The diluted loss per share for the year ended 30 April 2004 has not been disclosed as the potential shares arising from the exercise and conversion of the Company's share options, convertible notes and convertible preference shares would decrease the loss per share of the Group for the year and is regarded as anti-dilutive.

The calculation of diluted earnings per share for the year ended 30 April 2003 is based on the following data:

	2003 <i>HK\$'000</i>
Earnings	
Net profit for the year retained	680,636
Saving on deemed conversion of:	
— preference shares	482
— convertible notes	148
	<u>681,266</u>

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12. (LOSS)/EARNINGS PER SHARE (Continued)

2003

Number of shares

Weighted average number of ordinary shares for the purpose of basic earnings per share	475,182,202
Effect of dilutive potential ordinary shares:	
— preference shares	243,748,750
— convertible notes	<u>400,000,000</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u><u>1,118,930,952</u></u>

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13. FIXED ASSETS

Group and Company

	Furniture, fixtures, and equipment <i>HK\$'000</i>	Motor vehicle <i>HK\$'000</i>	Total <i>HK\$'000</i>
Cost			
At 1 May 2003	51	—	51
Additions	<u>12</u>	<u>226</u>	<u>238</u>
At 30 April 2004	<u>63</u>	<u>226</u>	<u>289</u>
Accumulated depreciation			
At 1 May 2003	3	—	3
Charge for the year	<u>12</u>	<u>—</u>	<u>12</u>
At 30 April 2004	<u>15</u>	<u>—</u>	<u>15</u>
Net book value			
At 30 April 2004	<u><u>48</u></u>	<u><u>226</u></u>	<u><u>274</u></u>
At 30 April 2003	<u><u>48</u></u>	<u><u>—</u></u>	<u><u>48</u></u>

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14. SUBSIDIARIES

	Company	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted shares, at cost	—	7,098
Amounts due from subsidiaries	71,333	294,226
	71,333	301,324
Provision for impairment losses	(23,715)	(274,659)
	47,618	26,665
Amounts due to subsidiaries	—	(571)
	47,618	26,094

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The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed terms of repayment.

Details of the principal subsidiaries as at 30 April 2004, which materially affected the Group's results or net assets, are set out in note 30 to the accounts.

15. ASSOCIATES

	Group	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Share of net assets	—	3,318
Provision for impairment losses	—	(3,318)
	—	—

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16. JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Share of net liabilities	(69,990)	(69,990)	—	—
Amounts due from jointly controlled entities	136,311	136,311	16,301	16,301
Amounts due to jointly controlled entities	(20)	(20)	—	—
Provision for impairment losses	(66,301)	(50,000)	(16,301)	—
	—	16,301	—	16,301

- (a) The amounts due from/(to) jointly controlled entities are unsecured, interest free and have no fixed terms of repayment.
- (b) Details of the jointly controlled entities as at 30 April 2004, which materially affected the Group's results or net assets, are set out in note 31 to the accounts.

17. SUBSIDIARIES NOT CONSOLIDATED

As disclosed in note 4 to the accounts, the consolidated accounts of the Group have not included the results of the following subsidiaries with effect from the respective dates of deconsolidation and the investments in these companies are accounted for as short term unlisted investments and shown under the current assets of the Group and the Company.

	2004 HK\$'000	2003 HK\$'000
Net liabilities of subsidiaries not consolidated at the date of deconsolidation	4,313	42,160
(Loss)/profit for the period from the beginning to the respective dates of deconsolidation	(36)	391,209

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17. SUBSIDIARIES NOT CONSOLIDATED (Continued)

Details of the principal subsidiaries not consolidated as at 30 April 2004 are shown as follows:

Company	Place of incorporation/ operation	Attributable percentage of shares held		Class of shares held	Principal activities
		Directly	Indirectly		
Tem Fat Hing Fung (Malaysia) Sdn. Bhd.	Malaysia	100	—	Ordinary	Dormant
Peniston Developments Limited	British Virgin Islands	—	100	Ordinary	Dormant
Shanghai Pride Holdings Ltd.	British Virgin Islands	100	—	Ordinary	Dormant

18. SHORT TERM LISTED INVESTMENTS

Group
2004 2003
HK\$'000 HK\$'000

Equity securities at market value — listed in Hong Kong

54,455	22,710
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As at 30 April 2004, all of the above listed investments were pledged to financial creditors to secure general facilities granted to the Group.

As at 30 April 2004, the carrying amounts of interest in the following listed investments exceeded 10% of the total assets of the Group.

Name	Place of incorporation	Principal activities	Percentage of interest held
Premium Land Limited	Bermuda	Property development and property rental	9.62
eForce Holdings Limited	Bermuda	Manufacture and sale of healthcare and household products	3.97
REXCAPITAL Financial Holdings Limited	Bermuda	Providing financial services	4.83

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19. TEMPORARY DEPOSITS, ACCOUNTS PAYABLE AND ACCRUALS

	Group	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade creditors — secured	14,807	8,512
Temporary deposits, accruals and other payables	9,455	13,378
	24,262	21,890
	24,262	21,890

The ageing analysis of trade creditors is as follows:

	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
0-3 months	9,363	8,512
Over 3 months	5,444	—
	14,807	8,512
	14,807	8,512

20. CONVERTIBLE NOTES

	Group and Company	
	2004	2003
	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 30 April	20,000	20,000
	20,000	20,000

The convertible notes in an aggregate principal amount of HK\$20,000,000 are to be matured on the third anniversary date from the date of 16 December 2002 on which they were issued by the Company. The convertible notes bear interest at the rate of 2% per annum payable semi-annually in arrears. The whole of the principal amount of each convertible note of HK\$1,000,000 is convertible into ordinary shares of the Company at the option of the holder of convertible notes at the conversion price, being the lower of the fixed conversion price of HK\$0.05 per share, subject to the adjustment, or the floating conversion price as defined in the subscription agreement.

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For the year ended 30 April 2004

20. CONVERTIBLE NOTES (Continued)

The holder of convertible notes also has the right at any time to require the Company to redeem the whole or part of the outstanding amount of the convertible notes at 125% of the face value of the outstanding amount, together with interest accrued on the condition that the closing price per ordinary share of the Company falls below 35% of the fixed conversion price for a period of 15 consecutive trading days following the date of issue of the convertible notes.

21. SHARE CAPITAL

	Number of shares	Amount HK\$'000	
Authorised:			
6% convertible cumulative redeemable preference shares of HK\$1 each at 30 April 2002, 30 April 2003 and 30 April 2004	<u>100,000,000</u>	100,000	45
Ordinary shares of HK\$0.025 each at 30 April 2002	6,800,000,000	170,000	
Capital reduction	—	(104,508)	
Share subdivision	255,166,189,641	—	
Share consolidation	(260,656,358,692)	—	
Increase during the year	<u>2,690,169,051</u>	134,508	
Ordinary shares of HK\$0.05 each at 30 April 2003 and 30 April 2004	<u>4,000,000,000</u>	200,000	
Total at 30 April 2003 and 30 April 2004		<u>300,000</u>	

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21. SHARE CAPITAL (Continued)

		Number of shares	Amount HK\$'000
Issued and fully paid:			
	6% convertible cumulative redeemable preference shares of HK\$1 each at 30 April 2002	2,549,990	2,550
	Conversion of preference shares	(600,000)	(600)
	6% convertible cumulative redeemable preference shares of HK\$1 each at 30 April 2003	1,949,990	1,950
	Conversion of preference shares	(1,870,000)	(1,870)
	6% convertible cumulative redeemable preference shares of HK\$1 each at 30 April 2004	79,990	80
	Ordinary shares of HK\$0.025 each at 30 April 2002	4,222,563,741	105,564
	Capital reduction	—	(104,508)
	Share consolidation	(4,201,450,923)	—
	Issue of shares	1,152,000,000	57,600
	Issue of shares to the scheme administrator	40,000,000	2,000
	Issue of shares upon conversion of preference shares	75,000,000	3,750
	Ordinary shares of HK\$0.05 each at 30 April 2003	1,288,112,818	64,406
	Issue of shares upon conversion of preference shares	233,750,000	11,687
	Issue of shares	150,000,000	7,500
	Ordinary shares of HK\$0.05 each at 30 April 2004	1,671,862,818	83,593
	Total at 30 April 2004		83,673
	Total at 30 April 2003		66,356

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21. SHARE CAPITAL (Continued)

(a) Preference shares

A holder of the convertible preference shares is entitled to receive a fixed cumulative preferential dividend at the rate of 6% per annum on the notional value of HK\$5 per share to be paid half-yearly on 30 June and 31 December in each year.

A holder of the convertible preference shares may convert his shares held at any time into ordinary shares at the conversion price HK\$0.04, subject to adjustment.

The convertible preference shares may be redeemed by the holders of the convertible preference shares at any time after 30 June 1996 at a redemption price per share equal to the notional value plus accrued dividend.

The Company has the option to redeem all or some of the convertible preference shares at any time at the notional value of the convertible preference shares if the average of the closing prices of the Company's ordinary share quoted on the Stock Exchange over the preceding 30 consecutive dealing days ending on the seventh day prior to the date upon which notice of redemption is given is greater than or equal to 150% of the conversion price in effect on such seventh day.

(b) During the year, the movements in ordinary share capital were as follows:

(i) Issue of shares

On 20 April 2004, 150 million ordinary shares of HK\$0.05 each were issued to not fewer than six independent investors at a price of HK\$0.70 per share. The net proceeds of HK\$103.5 million will be used for general working capital purpose, and future possible investments including (i) property markets in Hong Kong and the PRC; (ii) projects in recycling materials; (iii) projects in system support for the instant result type on-line lottery; and (iv) projects in National Products and Services Coding System in the PRC.

Notes to the Accounts

For the year ended 30 April 2004

21. SHARE CAPITAL (Continued)

(b) During the year, the movements in ordinary share capital were as follows: (Continued)

- (ii) Issue of ordinary shares upon conversion of preference shares at the conversion price of HK\$0.04 took place as follows:

Date of conversion	No. of preference shares of HK\$1 each converted	No. of new ordinary shares of HK\$0.05 each issued upon conversion
16 September 2003	1,863,000	232,875,000
2 October 2003	7,000	875,000
	<u>1,870,000</u>	<u>233,750,000</u>

Upon completion of the above conversion, convertible preference share reserve is reduced by an aggregate amount of HK\$2,337,500 (note 22) on the basis that the conversion price of preference share of HK\$0.04 is lower than the nominal value of each ordinary share of HK\$0.05 each. Furthermore, the issue of ordinary shares upon conversion reduced the share premium account by an aggregate amount of HK\$7,480,000 (note 22).

- (iii) All of the above new shares rank pari passu with the then existing shares in all respects.

(c) Share options

As the Stock Exchange has amended Chapter 17 of the Listing Rules which came into effect on 1 September 2001, the Company terminated its share option scheme approved by the shareholders at the annual general meeting held on 27 October 1998 and adopted a new share option scheme ("New Scheme") pursuant to a resolution passed on 13 October 2003.

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21. SHARE CAPITAL *(Continued)*

(c) Share options *(Continued)*

The purpose of the New Scheme is a share incentive scheme to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the New Scheme, the Board of Directors of the Company may, at its discretion, invite eligible participants (as set out in the Company's circular of 19 September 2003) to take up options to subscribe for shares of the Company. The principal terms of the New Scheme are as follows:

- (i) The maximum number of shares in respect of which options may be granted under the New Scheme must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of approval of the New Scheme, unless approval of the shareholders has been obtained to renew the limit, and which must not in aggregate (including all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of the Group) exceed 30% of the shares of the Company in issue from time to time.
- (ii) The number of shares in respect of which options may be granted to any individual in any 12-month period must not exceed 1% of the shares of the Company in issue as at the date of grant.
- (iii) The exercise price is determined by the Board in its absolute discretion at a price not less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; (b) the average closing prices of the shares of the Company as stated in the Stock of Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant; and (c) the nominal value of share.
- (iv) An option may be accepted by a proposed grantee within 7 days from the date of the offer of grant of the option. There is no minimum period for which an option must be held before it can be exercised. An option may be exercised at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date.
- (v) Upon acceptance of the option, the grantee shall pay of HK\$1.00 to the Company by way of consideration for the grant of the option.
- (vi) The New Scheme will remain valid for a period of 10 years commencing on 13 October 2003, being the date on which it was adopted.

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21. SHARE CAPITAL (Continued)

(c) Share options (Continued)

At 30 April 2004, the number of shares in respect of which options had been granted under the New Scheme was 128.8 million (2003: Nil), representing 7.7 per cent (2003: Nil) of the shares of the Company in issue at that date.

Details of the Company's share options granted to the eligible participants, being consultants of the Company, under the New Scheme are as follows:

Exercise price (HK\$)	Exercisable period	Balance at 1 May 2003	Granted during the year	Exercised during the year	Cancelled during the year	Balance at 30 April 2004
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0.461	13 February 2004 to 12 February 2014	—	128,811,280	—	—	128,811,280
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The above share options were granted on 13 February 2004. The closing prices of the ordinary shares of the Company on 9, 10, 11, 12 and 13 February 2004, being the five trading days preceding the date of grant of the above share options were HK\$0.47, HK\$0.47, HK\$0.45, HK\$0.46 and HK\$0.455 respectively.

The Directors considered it is inappropriate to value the share options granted as a number of factors crucial for the valuation cannot be determined accurately. Any valuation of the share options based on various uncertain and speculative assumptions could be misleading to the shareholders.

Notes to the Accounts

For the year ended 30 April 2004

22. RESERVES

Group

	Share premium	Negative goodwill	Capital redemption reserve	Convertible preference share reserve	Exchange reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 May 2003	666,174	41,796	2,241	2,437	(39,285)	(733,402)	(60,039)
Issue of ordinary shares	97,500	—	—	—	—	—	97,500
Share issue expenses	(1,460)	—	—	—	—	—	(1,460)
Realisation of exchange reserve upon deconsolidation of subsidiaries	—	—	—	—	255	—	255
Conversion of preference shares (Note 21(b)(iii))	(7,480)	—	—	(2,337)	—	—	(9,817)
Loss for the year	—	—	—	—	—	(34,690)	(34,690)
Dividends	—	—	—	—	—	(18)	(18)
At 30 April 2004	<u>754,734</u>	<u>41,796</u>	<u>2,241</u>	<u>100</u>	<u>(39,030)</u>	<u>(768,110)</u>	<u>(8,269)</u>
Retained by:							
Company and subsidiaries	754,734	—	2,241	100	4,827	(669,221)	92,681
Jointly controlled entities	—	41,796	—	—	(43,857)	(98,889)	(100,950)
At 30 April 2004	<u>754,734</u>	<u>41,796</u>	<u>2,241</u>	<u>100</u>	<u>(39,030)</u>	<u>(768,110)</u>	<u>(8,269)</u>

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For the year ended 30 April 2004

22. RESERVES (Continued)

Group (Continued)

	Share premium HK\$'000	Negative goodwill HK\$'000	Capital redemption reserve HK\$'000	Convertible preference share reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 May 2002	671,761	41,796	2,241	—	(38,880)	(1,518,546)	(841,628)
Capital reduction against share capital	—	—	—	—	—	104,508	104,508
Exchange translation differences	—	—	—	—	117	—	117
Realisation of exchange reserve upon disposal of subsidiaries	—	—	—	—	(522)	—	(522)
Transfer to convertible preference share reserve	(3,187)	—	—	3,187	—	—	—
Conversion of of preference shares	(2,400)	—	—	(750)	—	—	(3,150)
Profit for the year	—	—	—	—	—	681,118	681,118
Dividends	—	—	—	—	—	(482)	(482)
At 30 April 2003	<u>666,174</u>	<u>41,796</u>	<u>2,241</u>	<u>2,437</u>	<u>(39,285)</u>	<u>(733,402)</u>	<u>(60,039)</u>
Retained by:							
Company and subsidiaries	666,174	—	2,241	2,437	4,572	(634,513)	40,911
Jointly controlled entities	—	41,796	—	—	(43,857)	(98,889)	(100,950)
At 30 April 2003	<u>666,174</u>	<u>41,796</u>	<u>2,241</u>	<u>2,437</u>	<u>(39,285)</u>	<u>(733,402)</u>	<u>(60,039)</u>

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For the year ended 30 April 2004

22. RESERVES (Continued)

Company

	Share premium <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Convertible preference share reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 May 2002	671,761	2,241	—	(1,379,425)	(705,423)
Capital reduction against share capital	—	—	—	104,508	104,508
Transfer to convertible preference share reserve	(3,187)	—	3,187	—	—
Premium on conversion of preference shares	(2,400)	—	(750)	—	(3,150)
Profit for the year	—	—	—	561,152	561,152
Dividends	—	—	—	(482)	(482)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2003	666,174	2,241	2,437	(714,247)	(43,395)
Issue of ordinary shares	97,500	—	—	—	97,500
Share issue expenses	(1,460)	—	—	—	(1,460)
Premium on conversion of preference shares (Note 21 (b)(iii))	(7,480)	—	(2,337)	—	(9,817)
Loss for the year	—	—	—	(37,897)	(37,897)
Dividends	—	—	—	(18)	(18)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2004	<u>754,734</u>	<u>2,241</u>	<u>100</u>	<u>(752,162)</u>	<u>4,913</u>

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At the balance sheet date, the Company had no reserves available for distribution to shareholders (2003: Nil).

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23. DEFERRED TAXATION

Deferred tax (liability)/asset has not been recognised in respect of the following items:

	Group		Company	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
(Taxable)/deductible temporary differences	(81)	114	(81)	114
Tax losses	<u>62,495</u>	<u>77,564</u>	<u>61,038</u>	<u>48,452</u>

The temporary differences arising in connection with interests in associates and jointly controlled entities are insignificant. Deductible temporary differences and tax losses do not expire under current tax legislation.

24. CONTINGENT LIABILITIES

The Company entered into letters of guarantee with financial creditors to provide unlimited corporate guarantee and an aggregate amount not exceeding HK\$10,000,000 to its wholly-owned subsidiaries to secure general facilities granted to them.

25. COMMITMENTS UNDER OPERATING LEASES

	Group	
	2004 HK\$'000	2003 HK\$'000
At 30 April 2004, the Group's future minimum lease payments under non-cancellable operating leases are payable as follows:		
Land and buildings		
— within one year	1,210	348
— after one and within five years	<u>809</u>	<u>—</u>
	<u>2,019</u>	<u>348</u>

The leases run for an initial period of two years. The leases do not include any contingent rentals.

Notes to the Accounts

For the year ended 30 April 2004

26. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Deconsolidation and disposal of subsidiaries

	2004 HK\$'000	2003 HK\$'000
Net liabilities deconsolidated and disposed of:		
Fixed assets	—	18,423
Associates	—	(375)
Short term listed investments	—	2,521
Other assets	3,120	1,200
Loan, trade and other receivables	10	2,091
Prepayments and deposits	48	25
Cash and bank balances	54	452
Temporary deposits, accounts payable and accruals	(8,218)	(89,957)
Amounts due to former directors	—	(3,131)
Taxation payable	—	(27,403)
Short term bank and other loans	—	(39,947)
Net balance due from the Group	673	3,849
Net balance due to the Group	—	(6)
	(4,313)	(132,258)
Realisation of exchange reserve upon deconsolidation and disposal of subsidiaries	255	(522)
Gain on deconsolidation and disposal of subsidiaries	4,782	132,780
	724	—
Satisfied by:		
Cash consideration *	—	—
Reclassified as subsidiaries not consolidated	724	—
	724	—
	(54)	(452)

* The cash consideration is Nil (2003: HK\$26)

Analysis of the net outflow of cash and cash equivalents in respect of deconsolidation and disposal of subsidiaries:

Cash and bank balances

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For the year ended 30 April 2004

26. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(a) Deconsolidation and disposal of subsidiaries (Continued)

The subsidiaries deconsolidated and disposed of during the year do not contribute any turnover (2003: approximately HK\$2,749,000) and loss for the year of approximately HK\$36,000 (2003: profit after taxation of approximately HK\$376,688,000).

For the year ended 30 April 2003, the subsidiaries deconsolidated and disposed of during the year repaid a net amount of approximately HK\$18,802,000 for financing activities and made no significant impact on the Group's cash flows for operating and investing activities.

(b) Major non-cash transactions

Pursuant to the schemes of arrangement, the Company issued new shares to the scheme administrator for distributions to the scheme creditors in full satisfaction and discharge of the scheme debts at 30 April 2003 as follows:

	2004 HK\$'000	2003 HK\$'000
Liabilities discharged:		
Short term bank and other loans	—	155,394
Bank overdraft	—	24,308
Temporary deposits, accounts payable, accruals	—	156,467
Amounts due to directors	—	191
Dividend payable	—	792
Promissory notes	—	340,910
	<u>—</u>	<u>678,062</u>
Representing:		
Shares issued to the scheme administrator	—	2,000
Waiver of indebtedness	—	676,062
	<u>—</u>	<u>678,062</u>

Notes to the Accounts

For the year ended 30 April 2004

27. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the following events occurred:

- (a) On 4 May 2004, Perfect View Development Limited had converted 38,000 convertible preference shares ("CPS"), being its entire holding in the CPS, at HK\$0.04 each into 4,750,000 ordinary shares.
- (b) On 21 May 2004, the Company has entered into a joint venture agreement through two of its wholly-owned subsidiaries with China Chengtong Holdings Company, a state-owned enterprise incorporated under the laws of the PRC (the "Joint Venture Agreement"). Pursuant to the Joint Venture Agreement, the Company will hold 60.78% through its two subsidiaries and China Chengtong will hold 39.22% of the equity interest in the Joint Venture, respectively. Capital commitment for the two subsidiaries shall be RMB30,997,000 (approximately HK\$29,242,000), which will be funded by the Company generated from its internal resources. The capital contributed by parties to the Joint Venture Agreement will be employed by the Joint Venture to engage in manufacturing and/or trading of recycled materials in the Mainland China. For further details, a summary of the principal terms is set out in the Company's circular of 21 June 2004 to its shareholders.
- (c) On 8 June 2004, the Company has entered into a Subscription Agreement to subscribe through its wholly-owned subsidiary, Success Honest Group Limited ("Success Honest"), with Excel Effect Holdings Limited ("Excel Effect"), an independent third party, for certain equity interests in Keung Tai Holdings Limited ("Keung Tai"). The Company will inject US\$1,294,000 (approximately RMB10,710,000) in cash for 51% equity interest in Keung Tai within 60 days from the date of the Subscription Agreement. On the same day, Success Honest and Excel Effect agreed to procure Keung Tai to enter into a Joint Venture Agreement with Gong Yi Shi Bao She by utilising the parties' total capital injection of US\$2,537,000 (approximately RMB21,000,000) to commence the business of development of computer hardware, software and networking system and integration for instant result type online lottery in the PRC. The capital commitment for Keung Tai will be US\$2,537,000 (approximately RMB21,000,000) injected by cash to acquire for 70% equity interest in the Joint Venture within 90 days from the date of the Joint Venture Agreement.
- (d) On 23 June 2004, the Company has entered into a Joint Venture Agreement through Advance Victory Investments Limited, a wholly-owned subsidiary of the Company, with Free Glider Communication Co. Ltd. a company established in the PRC, to implement the National Products and Services Coding System. The National Products and Services Coding System serves to identify each product or service marketed or provided in the PRC and the information obtained and collated will form the base of the information database maintained by the PRC government which will, in turn, facilitate to better monitor the sales of goods and services in the PRC. The Company will be entitled to 80% of the Joint Venture Company by injecting RMB28,000,000 (approximately HK\$26,415,000) in cash.

Notes to the Accounts

For the year ended 30 April 2004

28. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Details of the Group's significant transactions with the following related parties during the year, together with balances with them as at 30 April 2004, are as follows:

	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
Investee companies:		
Rental expenses	—	1,419
Jointly controlled entities:		
Consultancy fee	—	200
Balances due from the Group	20	20
Balances due to the Group	136,311	136,311
Provisions	(66,301)	(50,000)

It is opined that the above transactions were entered into on normal commercial terms. The balances are unsecured, interest free and with no fixed repayment term.

29. RETIREMENT BENEFIT SCHEMES

The Group operates a MPF Scheme for all employees in Hong Kong. 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 at 5% of relevant payroll costs to the scheme, which contribution is matched by employees. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme. The contributions arising from the MPF Scheme charged to the profit and loss account represent contributions payable to the fund by the Group at rates specified in the rules of the scheme.

No forfeited contribution is available to reduce the contribution payable in the future years.

Notes to the Accounts

For the year ended 30 April 2004

30. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Company	Place of incorporation/ operation	Issued and paid up capital	Attributable percentage of shares held		Class of shares held	Principal activities
			Directly	Indirectly		
Great Shanghai Investments (Holdings) Limited	Hong Kong	HK\$2	—	100	Ordinary	Property investments
Sino Forward International Limited	Hong Kong	HK\$2	—	100	Ordinary	Securities trading
Vast Profits Limited	British Virgin Islands	US\$3	66.7	—	Ordinary	Investment holding
Ming Ze Group Limited (Formerly as Tong Neng Group Limited)	Hong Kong	HK\$2	—	100	Ordinary	Investment holding
Goldright Finance Limited	British Virgin Islands	US\$1	100	—	Ordinary	Securities trading

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31. PARTICULARS OF JOINTLY CONTROLLED ENTITIES

Company	Place of Incorporation/operation	Principal activities	Attributable equity interest
Yetcome Investments Limited	British Virgin Islands	Investment holding	33%
T & T Properties Sdn. Bhd.	Malaysia	Property development	33%
Prizevest Sdn. Bhd.	Malaysia	Property development	23%
Top Priority Sdn. Bhd.	Malaysia	Property development	23%
Victec Enterprise Sdn. Bhd.	Malaysia	Property development	23%

32. COMPARATIVE FIGURES

In the current year, the Company has adopted the revised SSAP 12, as mentioned in note 2(a) to the accounts for the first time. The presentation in the current year's accounts has been modified in order to conform with the requirements of this standard. Comparative amounts have been restated in order to achieve a consistent presentation.

33. APPROVAL OF ACCOUNTS

The accounts were approved and authorised for issue by the board of directors on 23 August 2004.