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CORPORATE INFORMATION

Board of Directors

Executive directors

Mr. Chang Chung Wa, Eddie

Ms. Tang Kit Ching, Venus

Independent non-executive directors

Dr. Li Chi Kwong

Prof. Pan Xiao Mei

Mr. Henry Fung

Audit committee

Dr. Li Chi Kwong

Prof. Pan Xiao Mei

Mr. Henry Fung

Head office and principal place of business

8th Floor, Block A

Goodview Industrial Building

11 Kin Fat Street

Tuen Mun

New Territories

Hong Kong

Web-site: www.zida.com

Principal banker

The Hongkong and Shanghai Banking Corporation Limited

Shop 1, Ground Floor

Tuen Mun Town Plaza Phase II

New Territories

Hong Kong

Auditors

Deloitte Touche Tohmatsu

Certified Public Accountants

26th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

Hong Kong branch share registrar and transfer office

Standard Registrars Limited

Ground Floor

Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

RESULTS

The Board of Directors of Zida Computer Technologies Limited (the “Company”) is pleased to announce the unaudited financial statements of the Company and its subsidiaries (the “Group”) for the six months ended 30th September, 2004, together with the comparative figures for the last year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED

	<i>Notes</i>	Six months ended 30th September	
		2004 HK\$'000	2003 HK\$'000
Turnover	3	302,327	384,205
Cost of sales		(294,668)	(379,820)
Gross profit		7,659	4,385
Other revenue		603	592
Selling expenses		(711)	(1,371)
Administrative expenses		(6,285)	(7,757)
Profit/(loss) from operations	4	1,266	(4,151)
Finance costs	5	(148)	(401)
Profit/(loss) before taxation		1,118	(4,552)
Taxation	6	-	-
Profit/(loss) for the period		1,118	(4,552)
Profit/(loss) per share	7		
– Basic		0.55 cents	(2.31 cents)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	Unaudited 30th September, 2004 HK\$'000	Audited 31st March, 2004 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		16,015	18,434
Development costs		3,654	3,502
Unlisted investments		611	611
		<u>20,280</u>	<u>22,547</u>
CURRENT ASSETS			
Inventories		7,111	9,434
Properties held for sales		–	1,707
Trade and other receivables	8	6,350	4,143
Pledged bank deposits		1,600	1,600
Bank balances and cash		6,251	5,870
		<u>21,312</u>	<u>22,754</u>
CURRENT LIABILITIES			
Trade and other payables	9	16,066	19,313
Secured short-term bank borrowings	10	4,418	5,998
		<u>20,484</u>	<u>25,311</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>828</u>	<u>(2,557)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,108</u>	<u>19,990</u>
CAPITAL AND RESERVES			
Share capital	11	20,414	20,414
Reserves		694	(424)
		<u>21,108</u>	<u>19,990</u>

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED CASH FLOW STATEMENT – UNAUDITED

	For the six months ended 30th September,	
	2004	2003
	HK\$'000	HK\$'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,889	(8,754)
NET CASH INFLOW FROM INVESTING ACTIVITIES	71	3,444
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(2,684)	(11,698)
DECREASE IN CASH AND CASH EQUIVALENTS	(724)	(17,008)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	5,870	19,176
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,146	2,168
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS:		
Bank balance and cash (2004 and 2003: other than pledged deposit HK\$1,600,000)	6,251	4,094
Bank overdraft	(1,105)	(1,926)
	5,146	2,168

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited

For the six months ended 30th September, 2004

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Accumulated profit/ (loss) <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April, 2004	20,414	24,897	9,628	2,408	(37,357)	19,990
Profit for the period	-	-	-	-	1,118	1,118
At 30th September, 2004	<u>20,414</u>	<u>24,897</u>	<u>9,628</u>	<u>2,408</u>	<u>(36,239)</u>	<u>21,108</u>

Audited

For the year ended 31st March, 2004

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Special reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Accumulated loss <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st April, 2003	18,814	23,019	9,628	2,408	(27,482)	26,387
Share issued at premium, net of share issue expense	1,600	1,878	-	-	-	3,478
Loss for the year	-	-	-	-	(9,875)	(9,875)
At 31st March, 2004	<u>20,414</u>	<u>24,897</u>	<u>9,628</u>	<u>2,408</u>	<u>(37,357)</u>	<u>19,990</u>

1. BASIS OF PREPARATION

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Statement of Standard Accounting Practice No. 25 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed financial statements have been prepared under the historical cost conversion, as modified for the revaluation of leasehold land and buildings.

The accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2004.

3. TURNOVER

Analysis of the Group's turnover and profit/(loss) from operations by principal activities and by geographical location are as follows:

By principal activities:

	Turnover (unaudited)		Profit/(loss) from operations (unaudited)	
	Six months ended 30th September		Six months ended 30th September	
	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Design and manufacture of motherboards	14,332	31,124	4,156	1,179
Supply of PC components	252,740	331,295	2,424	2,508
Mobile storage and related products	35,255	21,786	1,079	698
	<u>302,327</u>	<u>384,205</u>	<u>7,659</u>	<u>4,385</u>
Unallocated corporate income			1	8
Unallocated corporate expenses			(6,394)	(8,544)
Profit/(loss) from operations			1,266	(4,151)
Finance costs			(148)	(401)
Profit/(loss) before taxation			<u>1,118</u>	<u>(4,552)</u>
By geographical location:				
North America	15,686	45,757	549	427
Asia Pacific	40,186	69,778	2,470	841
China	97,284	145,130	470	1,780
Hong Kong	135,143	108,152	3,132	1,076
Europe	13,602	10,771	1,019	108
Others	426	4,617	19	153
	<u>302,327</u>	<u>384,205</u>	<u>7,659</u>	<u>4,385</u>
Unallocated corporate expenses			(6,393)	(8,536)
Profit/(loss) from operations			<u>1,266</u>	<u>(4,151)</u>

4. PROFIT/(LOSS) FROM OPERATIONS

Profit/(loss) from operations has been arrived at after crediting/(charging):

	Unaudited	
	Six months ended	
	30th September	
	2004	2003
	HK\$'000	HK\$'000
Interest income	1	8
Depreciation and amortisation	(3,446)	(3,290)
	<u><u> </u></u>	<u><u> </u></u>

5. FINANCE COSTS

	Unaudited	
	Six months ended	
	30th September	
	2004	2003
	HK\$'000	HK\$'000
Interest on:		
Bank loans	148	400
Obligations under finance leases	-	1
	<u> </u>	<u> </u>
	<u><u>148</u></u>	<u><u>401</u></u>

6. TAXATION

	Unaudited Six months ended 30th September	
	2004 <i>HK\$'000</i>	2003 <i>HK\$'000</i>
The charges comprise the following:		
The Company and subsidiaries		
Over provision of Hong Kong		
Profits Tax in previous years	-	-
	<u> </u>	<u> </u>

No provision for Hong Kong Profits Tax has been made in the financial statements as the Hong Kong subsidiaries of the Company have no assessable profit for the periods.

7. PROFIT/(LOSS) PER SHARE

The calculation of the basis profit/(loss) per share for the period is based on the net profit for the six months ended 30th September, 2004 of HK\$1,118,000 (2003: net loss of HK\$4,552,000) and on the weighted average number of 204,145,000 shares (2003: 197,463,681 shares) in issue during the period.

The computation of diluted profit per share for the six months ended 30th September, 2004 had not assumed the exercise of the Company's share options as their exercise price were higher than the average market price of the Company's shares during that period and there was no dilution effect on the basic profit per share for that period.

No amount had been presented for the diluted loss per share for the six months ended 30th September, 2003 as the effect of the exercise of the outstanding share options of the Company would result in a decrease in loss per share.

8. TRADE AND OTHER RECEIVABLES

The Group has a policy of allowing an average credit period of 30 days to its trade customers. Included in trade and other receivables are trade receivables of HK\$5,068,000 (31st March 2004: HK\$2,754,000), the aged analysis of which at the balance sheet date is as follows:

	Unaudited 30th September, 2004 HK\$'000	Audited 31st March, 2004 HK\$'000
Up to 30 days	4,292	2,012
31 - 60 days	116	564
61 - 90 days	1	76
More than 90 days	659	102
	<hr/>	<hr/>
	5,068	2,754
	<hr/> <hr/>	<hr/> <hr/>

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK\$6,033,000 (31st March, 2004: HK\$12,150,000), the aged analysis of which at the balance sheet date is as follows:

	Unaudited 30th September, 2004 HK\$'000	Audited 31st March, 2004 HK\$'000
Up to 30 days	1,957	8,723
31 - 60 days	2,950	340
61 - 90 days	444	549
More than 90 days	682	2,538
	<hr/>	<hr/>
	6,033	12,150
	<hr/> <hr/>	<hr/> <hr/>

10. SECURED SHORT-TERM BANK BORROWINGS

	Unaudited 30th September, 2004 HK\$'000	Audited 31st March, 2004 HK\$'000
Secured short-term bank borrowings comprise:		
Trust receipt loans	1,912	3,194
Bank borrowings	1,401	2,804
Bank overdraft	1,105	-
	<u>4,418</u>	<u>5,998</u>

11. SHARE CAPITAL

	Unaudited 30th September, 2004 HK\$000	Audited 31st March, 2004 HK\$000
Authorised:		
1,000,000,000 ordinary shares of HK\$0.10 each (At 31st March, 2004: 1,000,000,000 shares)	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
204,145,000 ordinary shares of HK\$0.10 each (At 31st March, 2004: 204,145,000 shares)	<u>20,414</u>	<u>20,414</u>

12. OPERATING LEASE ARRANGEMENTS

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

	Unaudited 30th September, 2004 <i>HK\$'000</i>	Audited 31st March, 2004 <i>HK\$'000</i>
Within one year	1,711	2,109
In the second to fifth year inclusive	4,480	4,445
	6,191	6,554

Operating lease payments represent rentals payable by the Group for certain of its warehouses and factory premises. Leases are negotiated for an average term of five years and rentals are fixed during the lease period.

The Company had no significant operating lease commitments as at the balance sheet date.

13. OTHER COMMITMENTS

At the balance sheet date, the Group had annual commitments payable in the following year as follows:

	Unaudited 30th September, 2004 HK\$000	Audited 31st March, 2004 HK\$000
Contracted for the contribution of registered capital to PRC subsidiaries	19,929	19,929
Contracted for the payment of a management fee to a party in the PRC under a management agreement which expires over five years	47	47
	<u>19,976</u>	<u>19,976</u>

INTERIM DIVIDEND

The Directors do not recommend the payment of interim dividend for the six months ended 30th September, 2004 (2003: Nil).

BUSINESS REVIEW AND PROSPECTS

The Group recorded a turnover of HK\$302,327,000 for the six months ended 30th September, 2004, representing a 21% decrease over HK\$384,205,000 of the corresponding period of last year. During the period under review, the net profit amounted to HK\$1,118,000 as compared to the net loss of HK\$4,552,000 of the same period last year.

During the past six months, the Group continued with its established direction, and made great efforts to develop IT consumer products, including mobile storage and related products, which is expected to bring in remarkable returns to the Group. In view of the rapid market growth, the Group will continue to strive to develop, manufacture and supply IT consumer products which offer higher margins.

In respect of the Electronics Manufacturing Services (EMS), the huge overall market demand plus our focus on the manufacturing of mobile storage and related products had enhanced the productivity, and in turn reduced the production cost and raised the profit margin. The Group has implemented the EMS production model in the Shekou plant in Shenzhen, which strengthened tremendously the inventory control and resource management.

As for networking products, the stable market demand has contributed to a stable income source to the Group.

In conclusion, the Group will continue developing in its established direction and marketing strategy, and will keep on conducting research, developing and manufacturing networking products and IT consumer products in order to expand its product mix and raise the profit margin, as well as to bring in better returns.

Financial Analysis

As at 30th September, 2004, the Group had a total of HK\$6,251,000 of cash and bank balances. The Group's trade and other receivables amounted to HK\$6,350,000. As at 30th September, 2004, the Group had total assets of HK\$41,592,000 while bank borrowings were HK\$4,418,000.

Exchange Risk

Most of the banking transactions of the group are denominated in Hong Kong dollars, U.S. dollars and Renminbi. The exposure in exchange risk was minimal since the exchange rate against Hong Kong dollars and U.S. dollars was relatively secured and the transactions made by Renminbi were immaterial.

EMPLOYEES AND REMUNERATION POLICY

As at 30th September, 2004, the company had about 100 employees based in China and Hong Kong. The remuneration of each staff was determined on the basis of his qualification, performance and experience.

DIRECTORS' INTERESTS IN SECURITIES

(I) Shares

At 30th September, 2004, the interest of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) contained in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

Long positions in shares and underlying shares of the Company:

Name of director	Number of shares held as			Approximate % of the issued share capital	Equity derivatives (share options)
	Beneficial owner	Other interests	Total		
Mr. Chang Chung Wa, Eddie ("Mr. Chang")	6,916,000	112,800,000 (Note 1)	119,716,000	58.64	4,700,000
Ms. Tang Kit Ching, Venus ("Ms. Tang")	-	28,200,000 (Note 2)	28,200,000	13.81	4,700,000
Dr. Li Chi Kwong	230,000	-	230,000	0.11	500,000
Prof. Pan Xiao Mei	-	-	-	-	100,000

Notes:

- (1) Tactful Finance Limited, a company incorporated in the British Virgin Islands, held 112,800,000 ordinary shares of the Company. Tactful Finance Limited is wholly owned by Spiritrider Development Inc., a company incorporated in the British Virgin Islands.

The entire issued share capital of Spiritrider Development Inc. is owned by A-One International Limited, a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Maple Securities Limited, a limited liability company incorporated in the British Virgin Islands, which is a discretionary trust set up by Mr. Chang, the trustee of which is HSBC International Trustee Limited. Beneficiaries of the trust include the family members of Mr. Chang.

- (2) Rubyrider Development Corp., a company incorporated in the British Virgin Islands, held 28,200,000 ordinary shares of the Company. The entire issued share capital of Rubyrider Development Corp., is owned by Ms. Tang.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations, which were recorded in the register as required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules.

(II) Share Option

The following table discloses movements in the Company's share options during the six months ended 30th September, 2004:

	Note	Option grant date	Exercise price HK\$	Outstanding at 1.4.2004	Granted during the period	Cancelled during the period	Exercised during the period	Outstanding 30.9.2004
Directors								
Dr. Li Chi Kwong	(1)	5th September, 2000	0.77	500,000	-	-	-	500,000
Prof. Pan Xiao Mei	(1)	5th September, 2000	0.77	100,000	-	-	-	100,000
Mr. Chang Chung Wa, Eddie	(2)	21st May, 2001	0.26	4,700,000	-	-	-	4,700,000
Ms. Tang Kit Ching, Venus	(2)	21st May, 2001	0.26	4,700,000	-	-	-	4,700,000
Total for Directors				10,000,000	-	-	-	10,000,000
Employees								
	(3)	15th July, 2000	0.568	1,825,000	-	350,000	-	1,475,000
	(4)&(5)	29th January, 2001	0.24	820,000	-	50,000	-	770,000
Total for Employees				2,645,000	-	400,000	-	2,245,000
Grand Total				12,645,000	-	400,000	-	12,245,000

Notes:

- (1) The exercise period is divided into two trenches with 50% exercisable during the period from 26th August, 2001 to 25th August, 2005 and the other 50% exercisable during the period 26th August, 2002 to 25th August, 2005.
- (2) The exercise period is 7th May, 2002 to 6th May, 2006.
- (3) The exercise period is divided into 3 trenches with 40% exercisable during the period from 15th January, 2001 to 14th July, 2005, 30% exercisable during the period from 15th July, 2001 to 14th July, 2005 and 30% exercisable during the period from 15th January, 2002 to 14th July, 2005.
- (4) The exercise period is divided into two trenches with 50% exercisable during the period from 29th January, 2002 to 28th January, 2006 and the other 50% exercisable during the period 29th July, 2002 to 28th January, 2006.

- (5) The closing price of the Company's shares immediately before 24th May, 2002 and 6th November, 2002, the date on which the options were exercised, were HK\$0.49 and HK\$0.28 respectively.

SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants. The share option scheme for the employees and executive directors of the Company and its subsidiaries which was adopted pursuant to a resolution passed on 29th April, 2000 was terminated at the annual general meeting of the Company held on 3rd September, 2003. A new share option scheme which complied with the amended Chapter 17 of the Listing Rules was adopted at the same annual general meeting held on 3rd September, 2003. No share option has been granted by the Company under the new share option scheme.

SUBSTANTIAL SHAREHOLDERS

Other than the interests and short positions disclosed above in respect of certain directors, the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO discloses no person as having a notifiable interest or short position in the issued share capital of the Company as at 30th September, 2004.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30th September, 2004, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee reviewed the accounting principles and practices adopted by the Group, and discussed on the internal control and financial reporting with the management, including the unaudited interim accounts for the six months ended 30th September, 2004.

CODE OF BEST PRACTICE

The Directors believe that the Company has complied with the requirements set out in Appendix 14 of the Listing Rules throughout the period, except that three independent non-executive directors of the Company have no fixed terms of office, but are required, in accordance with the Company's bye Laws, to resign by rotation and are eligible for re-election at the annual general meetings.

By order of the Board
Chang Chung Wa, Eddie
Chairman

Hong Kong, 17th November, 2004