

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30th September, 2004

| | Six months ended 30th September, | |
|--|-------------------------------------|----------------|
| | 2004 | 2003 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Balance at beginning of the period | 390,736 | 362,208 |
| Exchange difference arising on translation of overseas operation | 12 | (39) |
| Loss for the period | (80,344) | (24,450) |
| Net proceeds from issue of warrants, net of expenses | – | 23,818 |
| Issue of shares upon exercise of share options, net of expenses | 1,362 | – |
| Issue of shares upon exercise of warrants | 2,262 | 7,920 |
| Impairment loss recognized in respect of goodwill reserve | 3,000 | – |
| | <u>317,028</u> | <u>369,457</u> |
| Balance at end of the period | <u>317,028</u> | <u>369,457</u> |

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the period ended 30th September, 2004

| | Six months ended 30th September, | |
|--|-------------------------------------|---------------|
| | 2004 | 2003 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Net cash outflow from operating activities | (34,250) | (3,659) |
| Net cash outflow from investing activities | (17,340) | (4,125) |
| Net cash inflow from financing activities | 3,602 | 31,738 |
| (Decrease) increase in cash and cash equivalents | (47,988) | 23,954 |
| Effect of foreign exchange rate change | 12 | (39) |
| Cash and cash equivalents at beginning of the period | <u>69,809</u> | <u>15,835</u> |
| Cash and cash equivalents at end of the period | <u>21,833</u> | <u>39,750</u> |