

BALANCE SHEET

At 31 March 2005

CHINA WATER AFFAIRS GROUP LIMITED

	Note	2005 HK\$'000	2004 HK\$'000
Non-current assets			
Investments in subsidiaries	13	27,199	38,042
Current assets			
Prepayments, deposits and other receivables		247	123
Bank and cash balances		14,954	358
		<u>15,201</u>	<u>481</u>
Current liabilities			
Accrued liabilities and other payables		4,317	2,611
Current portion of other loans	23	–	3,003
Due to a director	24	–	1,811
Convertible note	26	1,061	–
		<u>5,378</u>	<u>7,425</u>
Net current assets/(liabilities)		<u>9,823</u>	<u>(6,944)</u>
Total assets less current liabilities		<u>37,022</u>	<u>31,098</u>
Non-current liabilities			
Convertible note	26	–	10,608
NET ASSETS		<u>37,022</u>	<u>20,490</u>
Capital and reserves			
Issued capital	28	4,813	2,920
Reserves	29(b)	32,209	17,570
SHAREHOLDERS' FUNDS		<u>37,022</u>	<u>20,490</u>

Approved by the Board of Directors on 27 July 2005

DUAN Chuan Liang
Director

TSUI Chi Kin
Director

The notes on pages 27 to 62 form an integral part of these financial statements.