

# Notes to the Accounts

For the year ended 30 April 2005

## 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.

Pursuant to a special resolution passed at the special general meeting of the Company held on 18 October 2004 and approved by the Registrar of Companies in Bermuda and Companies Registry in Hong Kong, the Company has changed its name to "China National Resources Development Holdings Limited" in English and, for identification purpose, adopted "中國資源開發集團有限公司" as its Chinese name.

In the opinion of the directors, as at 30 April 2005 the ultimate holding company is Smartgood Investments Limited ("Smartgood"), a company incorporated with limited liability under the laws of the British Virgin Islands. On 8 August 2005, China Times Development Limited has acquired 62.08% issued shares of the Company and became the controlling shareholder.

## 2. IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the accounts for the year ended 30 April 2005. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

## Notes to the Accounts

For the year ended 30 April 2005

### 3. 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 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.

#### (b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries for the year ended made up to 30 April 2005. 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.

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, other than jointly controlled 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 accumulated impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

## Notes to the Accounts

For the year ended 30 April 2005

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (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 or jointly controlled entities 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 or jointly controlled entities at the date of acquisition over the cost of acquisition.

Previously, goodwill/negative goodwill arising on consolidation/acquisition of subsidiaries or jointly controlled entities is eliminated against reserves/taken to reserves in the year of acquisition. In accordance with Statement of Standard Accounting Practice ("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.

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 or a jointly controlled entity, 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.

## Notes to the Accounts

For the year ended 30 April 2005

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (e) Joint venture companies

A joint venture company is a company set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture company operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture company's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture company is treated as:

- (i) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture company;
- (ii) a jointly controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture company;
- (iii) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture company's registered capital and is in a position to exercise significant influence over the joint venture company; or
- (iv) a long term investment, if the Group holds, directly or indirectly, less than 20% of the joint venture company's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture company.

## Notes to the Accounts

For the year ended 30 April 2005

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (f) Jointly controlled entities

A jointly controlled entity is a joint venture company which is subject to joint control and none of the participating parties has unilateral control over the economic activity of the jointly controlled entity.

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 under the equity method of accounting, less any accumulated impairment losses.

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 accumulated impairment losses. The results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

#### (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%

## Notes to the Accounts

For the year ended 30 April 2005

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (g) Fixed assets (Continued)

##### (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.

## Notes to the Accounts

For the year ended 30 April 2005

### 3. 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.

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

#### (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.

## Notes to the Accounts

For the year ended 30 April 2005

### 3. 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 and jointly controlled entities 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

##### (i) *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.

##### (ii) *Revenue from interest income*

Interest income is accrued on a time basis, by reference to the principal amounts outstanding and the interest rates applicable.



## Notes to the Accounts

For the year ended 30 April 2005

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (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.

#### (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 balance 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 employees are expensed as incurred. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

## Notes to the Accounts

For the year ended 30 April 2005

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (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.

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.

## Notes to the Accounts

For the year ended 30 April 2005

### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (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.

### 4. TURNOVER, OTHER REVENUE 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:

	2005 HK\$'000	2004 HK\$'000
TURNOVER		
Corporate investment and trading in securities	46,985	43,930
OTHER REVENUE		
Other interest income	2,078	–
Total revenue	<u>49,063</u>	<u>43,930</u>

#### 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.

## Notes to the Accounts

For the year ended 30 April 2005

### 4. TURNOVER, OTHER REVENUE AND SEGMENT INFORMATION (Continued)

#### Business segments (Continued)

	Property investment and management consultancy HK\$'000	Corporate investment and trading in securities HK\$'000	Group 2005 HK\$'000
Turnover	–	46,985	46,985
Segment results	(17,741)	(21,858)	(39,599)
Share of loss of a jointly controlled entity			(407)
Losses on changes in fair values of short term listed investments			(4,121)
Unallocated costs less revenue			(2,171)
<b>Loss attributable to shareholders</b>			<b>(46,298)</b>
Segment assets	26,499	1,491	27,990
Unallocated assets			29,667
<b>Total assets</b>			<b>57,657</b>
Segment liabilities	(5,552)	(2,137)	(7,689)
Unallocated liabilities			(10,875)
<b>Total liabilities</b>			<b>(18,564)</b>
Capital expenditure	130	–	130
Depreciation	95	–	95

## Notes to the Accounts

For the year ended 30 April 2005

### 4. TURNOVER, OTHER REVENUE 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 of subsidiaries			4,058
Losses on changes in fair values of short term listed investments			(7,564)
Unallocated costs less revenue			(18,290)
<b>Loss attributable to shareholders</b>			<b>(34,690)</b>
Segment assets	66,367	54,455	120,822
Unallocated assets			17
<b>Total assets</b>			<b>120,839</b>
Segment liabilities	(5,399)	(19,842)	(25,241)
Unallocated liabilities			(20,194)
<b>Total liabilities</b>			<b>(45,435)</b>
Capital expenditure	238	–	238
Depreciation	12	–	12

## Notes to the Accounts

For the year ended 30 April 2005

### 4. TURNOVER, OTHER REVENUE AND SEGMENT INFORMATION (Continued)

#### Geographical segments

No geographical segment information of the Group is shown as the Group's operations, turnover by geographical market and assets are wholly located in Hong Kong and the People's Republic of China ("PRC").

### 5. NET GAIN ON DECONSOLIDATION OF SUBSIDIARIES

	2005 HK\$'000	2004 HK\$'000
Gain on deconsolidation of subsidiaries ( <i>Note a</i> )	–	4,782
Impairment loss on subsidiaries not consolidated	–	(724)
	<u>–</u>	<u>4,058</u>

*Note a.* As detailed in note 16 to the accounts, the Company's directors were of the opinion that the Company has lost the ability to exercise effective control over the board of certain subsidiaries and in particular its ability to exercise significant influence over the financial and operating decisions of these subsidiaries. Accordingly, these subsidiaries were deconsolidated from the Group's accounts from the respective dates of deconsolidation resulting in gain on deconsolidation of HK\$4,782,000.

## Notes to the Accounts

For the year ended 30 April 2005

### 6. OPERATING LOSS FOR THE YEAR

	2005 HK\$'000	2004 HK\$'000
Operating loss of the Group for the year is stated after crediting and charging the following:		
<b>Crediting</b>		
Interest income	<u>2,078</u>	<u>–</u>
<b>Charging</b>		
Staff costs (including directors' remuneration):		
Salaries, allowances and benefits in kind	8,986	3,568
MPF contributions	<u>156</u>	<u>45</u>
	9,142	3,613
Depreciation	95	12
Auditors' remuneration	272	230
Allowances for impairment losses on jointly controlled entities	–	16,301
Allowances for bad debts	–	123
Operating leases on land and buildings	<u>1,184</u>	<u>522</u>

### 7. FINANCE COSTS

	2005 HK\$'000	2004 HK\$'000
Interest on other loans	1,093	906
Interest on convertible notes	<u>327</u>	<u>400</u>
	<u>1,420</u>	<u>1,306</u>

## Notes to the Accounts

For the year ended 30 April 2005

### 8. DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS

Directors' remuneration disclosed pursuant to The Rules Governing the Listing of Securities on the Stock Exchange and Section 161 of the Hong Kong Companies Ordinance is as follows:

	2005 HK\$'000	2004 HK\$'000
Fees:		
Executive	–	–
Non-executive	–	–
Independent non-executive	250	–
	<hr/>	<hr/>
	250	–
Salaries, housing, other allowances and benefits in kind	4,645	2,500
MPF contributions	30	25
	<hr/>	<hr/>
	<u>4,925</u>	<u>2,525</u>

The remuneration of the directors fell within the following bands:

	Number of directors	
	2005	2004
Nil to HK\$1,000,000	12	9
HK\$1,000,001 to HK\$2,000,000	–	1
HK\$2,000,001 to HK\$3,000,000	1	–
	<hr/>	<hr/>
	<u>13</u>	<u>10</u>

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2004: Nil).



## Notes to the Accounts

For the year ended 30 April 2005

### 8. DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS

(Continued)

#### Five highest paid employees

Included above are two (2004: three) executive directors whose emoluments were among five highest paid individuals in the Group.

Details of the emoluments paid to three individuals who are not directors (2004: two), but whose emoluments were among the five highest in the Group are as follows:

	2005 HK\$'000	2004 HK\$'000
Salaries, allowances and benefits in kind	1,689	862
MPF contributions	30	24
	<u>1,719</u>	<u>886</u>

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

	Number of employees	
	2005	2004
Nil to HK\$1,000,000	<u>3</u>	<u>2</u>

## Notes to the Accounts

For the year ended 30 April 2005

### 9. TAXATION

No provision for Hong Kong profits tax has been made as the Group has no assessable profits arising in or derived from Hong Kong during the year (2004: Nil). No provision for overseas income taxes has been made as the Group operating in these countries were operating at a loss during the year (2004:Nil).

The taxation on the Group's loss for the year differs from the theoretical amount that would arise using the taxation rate of 17.5% (2004:17.5%) as follows:

	2005 HK\$'000	2004 HK\$'000
Loss for the year	<u>(46,298)</u>	<u>(34,690)</u>
Calculated at a tax rate of 17.5% (2004: 17.5%)	(8,102)	(6,071)
Tax effect of income not subject to taxation	–	(1,840)
Tax effect of expenses not deductible for taxation purposes	3,274	5,636
Tax effect of temporary differences unrecognised for the year	(13)	(34)
Tax effect of utilisation of previously unrecognised tax losses	–	2,309
Tax effect of unrecognised tax losses for the year	<u>4,841</u>	<u>–</u>
	<u>–</u>	<u>–</u>

### 10. LOSS FOR THE YEAR

The loss attributable to shareholders is dealt with in the accounts of the Company to the extent of a loss of HK\$58,348,000 (2004: HK\$37,897,000).

## Notes to the Accounts

For the year ended 30 April 2005

### 11. DIVIDENDS

	2005 HK\$'000	2004 HK\$'000
<b>Preference dividends</b>		
Payable of HK\$ 0.151 per share on 41,990 shares (2004: HK\$0.151 on 79,990 shares)	7	12
Payable of HK\$ 0.149 per share on 41,990 shares (2004: HK\$0.149 on 41,990 shares)	6	6
	<u>13</u>	<u>18</u>

### 12. LOSS PER SHARE

The basic loss per share is calculated based on the loss attributable to shareholders after preference dividends of HK\$46,311,000 (2004: HK\$34,708,000) and the weighted average number 1,763,149,119 (2004: 1,437,149,021) ordinary shares in issue during the year.

The diluted loss per share for the years ended 30 April 2005 and 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.

## Notes to the Accounts

For the year ended 30 April 2005

### 13. FIXED ASSETS

#### Group and Company

	Furniture, fixtures, and equipment HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
Cost			
At 1 May 2004	63	226	289
Additions	130	–	130
<b>At 30 April 2005</b>	<b>193</b>	<b>226</b>	<b>419</b>
Accumulated depreciation			
At 1 May 2004	15	–	15
Charge for the year	39	56	95
<b>At 30 April 2005</b>	<b>54</b>	<b>56</b>	<b>110</b>
Net book value			
<b>At 30 April 2005</b>	<b>139</b>	<b>170</b>	<b>309</b>
At 30 April 2004	48	226	274

## Notes to the Accounts

For the year ended 30 April 2005

### 14. SUBSIDIARIES

	Company	
	2005	2004
	HK\$'000	HK\$'000
Unlisted shares, at cost	–	–
Amounts due from subsidiaries	82,305	71,333
	<u>82,305</u>	<u>71,333</u>
Allowances for impairment losses	(53,026)	(23,715)
	<u>29,279</u>	<u>47,618</u>

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

Details of the principal subsidiaries as at 30 April 2005, which materially affected the Group's results or net assets, are set out in note 29 to the accounts.

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### 15. JOINTLY CONTROLLED ENTITIES

	Group		Company	
	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Share of net liabilities	(41,154)	(69,990)	–	–
Amounts due from jointly controlled entities	136,311	136,311	16,301	16,301
Amounts due to jointly controlled entities	(20)	(20)	–	–
Allowances for impairment losses	(66,301)	(66,301)	(16,301)	(16,301)
	<u>28,836</u>	<u>–</u>	<u>–</u>	<u>–</u>

The directors are of the opinion that the underlying values of the interests in jointly controlled entities are not less than their carrying amounts as at 30 April 2005.

## Notes to the Accounts

For the year ended 30 April 2005

### 15. JOINTLY CONTROLLED ENTITIES (Continued)

Details of the jointly controlled entities as at 30 April 2005 are set out as follows:

- (a) Particulars of the jointly controlled entities, of which their major operations have been under receivership since 2002, are as follows:

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%
Vitect Enterprise Sdn. Bhd.	Malaysia	Property development	23%

Equity accounting for the Group's interests in all these jointly controlled entities has been discontinued as the carrying amounts of these jointly controlled entities, after accumulated impairment losses, reached zero since 2004.

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

## Notes to the Accounts

For the year ended 30 April 2005

### 15. JOINTLY CONTROLLED ENTITIES (Continued)

(b) Apart from the foregoing, details of a jointly controlled entity of the Group acquired during the year and at the balance sheet date are stated as below:

- (i) During the year, the Group entered into a joint venture agreement through two of the Company's indirect wholly owned subsidiaries, namely Trade Epoch International Limited and China Valley Investments Limited, to establish a jointly controlled entity, 中環資源再生開發利用有限公司 ("中環資源再生"), a company incorporated and operated in the PRC. The Group's interest in the jointly controlled entity represents 60.78% interest in the registered capital of 中環資源再生, which is principally engaged in trading of recycling materials.

The Group's interest in 中環資源再生 has not been accounted for as a subsidiary of the Company as, in accordance to the terms of the joint venture agreement, 中環資源再生 is subject to joint control resulting in none of the participating parties having unilateral control over the economic activity of the jointly controlled entity. Accordingly, the equity method of accounting is used to account for the Group's interest in this jointly controlled entity. However, as explained by the directors, in the absence of the audited accounts of this jointly controlled entity due to its incorporation less than one year and all necessary information and documentary evidence from 中環資源再生, the Group's share of net assets and results of this jointly controlled entity could only be derived from the unaudited financial information as set out in note (ii) below.

## Notes to the Accounts

For the year ended 30 April 2005

### 15. JOINTLY CONTROLLED ENTITIES (Continued)

- (b) Apart from the foregoing, details of a jointly controlled entity of the Group acquired during the year and at the balance sheet date are stated as below: (Continued)
- (ii) Extracts of the unaudited financial information regarding 中環資源再生 during the year and balance as at 30 April 2005 are set out below:

	HK\$'000
Turnover	1,155
Loss for the year	669
Loss from ordinary activities before taxation	669
Loss from ordinary activities before taxation attributable to the Group	407
Financial position	
Non-current assets	26,524
Current assets	20,936
Current liabilities	(19)
Net assets	47,441
Net assets attributable to the Group	28,836

### 16. SUBSIDIARIES NOT CONSOLIDATED

As disclosed in note 5 to the accounts, the consolidated accounts of the Group have not included the results of the following subsidiaries not consolidated with effect from the respective dates of deconsolidation and the investments in these companies were accounted for as short term unlisted investments and shown under the current assets of the Group as at 30 April 2004. During the year, the directors opined that it was unlikely to receive any economic benefits from these investments, and therefore all these investments were written off.

	2005 HK\$'000	2004 HK\$'000
Net liabilities of subsidiaries not consolidated at the date of deconsolidation	—	4,313
Loss for the period from the beginning to the respective dates of deconsolidation	—	(36)



## Notes to the Accounts

For the year ended 30 April 2005

### 16. 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 Limited	British Virgin Islands	100	–	Ordinary	Dormant

### 17. SHORT TERM LISTED INVESTMENTS

	Group	
	2005 HK\$'000	2004 HK\$'000
Equity securities at market value – listed in Hong Kong	<u>1,437</u>	<u>54,455</u>

As at 30 April 2005 and 2004, all of the above listed investments were pledged to financial creditors to secure general facilities granted to the Group.

### 18. LOAN RECEIVABLES

The loan receivables, which bear interest at the rate of 5% per annum and are wholly repayable in May 2005 (2004: Nil), are guaranteed by certain joint venturers.

As at 30 April 2005, interest receivables in respect of the loan receivables amounting to HK\$725,000 (2004: Nil), which are wholly repayable in May 2005, are included in other receivables as shown in the Group's and Company's balance sheets.

## Notes to the Accounts

For the year ended 30 April 2005

### 19. TEMPORARY DEPOSITS, ACCOUNTS PAYABLE AND ACCRUALS

	Group	
	2005	2004
	HK\$'000	HK\$'000
Trade creditors – secured	2,109	14,807
Temporary deposits, accruals and other payables	5,269	9,455
	<u>7,378</u>	<u>24,262</u>

The aging analysis of trade creditors is as follows:

	2005	2004
	HK\$'000	HK\$'000
0 – 3 months	38	9,363
Over 3 months	2,071	5,444
	<u>2,109</u>	<u>14,807</u>

## Notes to the Accounts

For the year ended 30 April 2005

### 20. CONVERTIBLE NOTES

	Group and Company	
	2005	2004
	HK\$'000	HK\$'000
At 1 May	20,000	20,000
Converted during the year	(10,000)	–
At 30 April	<u>10,000</u>	<u>20,000</u>

- (a) The convertible notes 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.
- (b) During the year, convertible notes of HK\$10,000,000 were converted at a price of HK\$0.05 per share and then 200,000,000 ordinary shares of HK\$0.05 each were allotted and issued, credited as fully paid, to the holders of convertible notes.

## Notes to the Accounts

For the year ended 30 April 2005

### 21. SHARE CAPITAL

	Number of shares	Amount HK\$'000
<b>Authorised:</b>		
6% convertible cumulative redeemable preference shares of HK\$1 each at 1 May 2003, 30 April 2004 and 30 April 2005	<u>100,000,000</u>	<u>100,000</u>
Ordinary shares of HK\$0.05 each at 1 May 2003, 30 April 2004 and 30 April 2005	<u>4,000,000,000</u>	<u>200,000</u>
Total at 30 April 2004 and 30 April 2005		<u>300,000</u>
<b>Issued and fully paid:</b>		
6% convertible cumulative redeemable preference shares of HK\$1 each		
Balance at 1 May 2003	1,949,990	1,950
Conversion of preference shares	<u>(1,870,000)</u>	<u>(1,870)</u>
Balance at 30 April 2004	79,990	80
Conversion of preference shares	<u>(38,000)</u>	<u>(38)</u>
Balance at 30 April 2005	<u>41,990</u>	<u>42</u>
Ordinary shares of HK\$0.05 each		
Balance at 1 May 2003	1,288,112,818	64,406
Issue of shares upon conversion of preference shares	233,750,000	11,687
Issue of shares	<u>150,000,000</u>	<u>7,500</u>
Balance at 30 April 2004	1,671,862,818	83,593
Issue of shares upon conversion of preference shares	4,750,000	238
Issue of shares upon conversion of convertible notes	<u>200,000,000</u>	<u>10,000</u>
Balance at 30 April 2005	<u>1,876,612,818</u>	<u>93,831</u>
<b>Total at 30 April 2005</b>		<u><b>93,873</b></u>
Total at 30 April 2004		<u>83,673</u>

## Notes to the Accounts

For the year ended 30 April 2005

### 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.

## Notes to the Accounts

For the year ended 30 April 2005

### 21. SHARE CAPITAL (Continued)

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

- (i) Issue of ordinary shares upon conversion of convertible notes at the conversion price of HK\$0.05 (*note 20 (b)*)

Upon receipt of conversion notices from the holders of conversion notes on 24 November 2004, the convertible notes were converted at the conversion price of HK\$0.05 per share and then 200,000,000 new ordinary shares of HK\$0.05 each were allotted and issued, credited as fully paid, to the holders of convertible notes.

- (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
4 May 2004	<u>38,000</u>	<u>4,750,000</u>

Upon completion of the above conversion, convertible preference share reserve is reduced by an aggregate amount of HK\$47,500 (*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\$152,000 (*note 22*).

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

## Notes to the Accounts

For the year ended 30 April 2005

### 21. SHARE CAPITAL (Continued)

#### (c) Share options

The Company's share option scheme was adopted by the Company on 13 October 2003 (the "Scheme") for the purpose of enabling the Company to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the 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 Scheme are as follows:

- (i) The maximum number of shares in respect of which options may be granted under the Scheme must not, in aggregate, exceed 10% of the issued share capital of the Company as at the date of approval of the 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 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 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.

## Notes to the Accounts

For the year ended 30 April 2005

### 21. SHARE CAPITAL (Continued)

#### (c) Share options (Continued)

- (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 Scheme will remain valid for a period of 10 years commencing on 13 October 2003, being the date on which it was adopted.

Details of the movement of the share options during the year under the Scheme are as follows:

Date of Grant	Exercise price HK\$	Exercise period	At 1 May 2004	Granted during the year	Exercised during the year	Cancelled during the year	At 30 April 2005
13 February 2004	0.461	13.02.2004 to 12.02.2014	128,811,280	-	-	128,811,280	-
16 September 2004	0.320 (Note 2)	16.09.2004 to 15.09.2014	-	152,186,280	-	-	152,186,280



## Notes to the Accounts

For the year ended 30 April 2005

### 21. SHARE CAPITAL (Continued)

#### (c) Share options (Continued)

*Notes:*

1. All the above share options were granted to consultants of the Group.
2. The closing prices of the ordinary shares of the Company on 9, 10, 13, 14 and 15 September 2004, being the five trading days preceding the date of grant of 152,186,280 share options were HK\$0.345, HK\$0.310, HK\$0.320, HK\$0.315 and HK\$0.310 respectively.
3. 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 2005

### 22. RESERVES

#### Group

	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 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	(7,480)	-	-	(2,337)	-	-	(9,817)
Loss for the year	-	-	-	-	-	(34,690)	(34,690)
Dividends	-	-	-	-	-	(18)	(18)
At 1 May 2004	754,734	41,796	2,241	100	(39,030)	(768,110)	(8,269)
Conversion of preference shares (note 21(b)(ii))	(152)	-	-	(48)	-	-	(200)
Loss for the year	-	-	-	-	-	(46,298)	(46,298)
Dividends	-	-	-	-	-	(13)	(13)
At 30 April 2005	<u>754,582</u>	<u>41,796</u>	<u>2,241</u>	<u>52</u>	<u>(39,030)</u>	<u>(814,421)</u>	<u>(54,780)</u>
Retained by:							
Company and subsidiaries	754,582	-	2,241	52	4,827	(715,125)	46,577
Jointly controlled entities	-	41,796	-	-	(43,857)	(99,296)	(101,357)
At 30 April 2005	<u>754,582</u>	<u>41,796</u>	<u>2,241</u>	<u>52</u>	<u>(39,030)</u>	<u>(814,421)</u>	<u>(54,780)</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>

## Notes to the Accounts

For the year ended 30 April 2005

### 22. RESERVES (Continued)

#### Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Convertible preference share reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 May 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)
Conversion of preference shares	(7,480)	-	(2,337)	-	(9,817)
Loss for the year	-	-	-	(37,897)	(37,897)
Dividends	-	-	-	(18)	(18)
At 30 April 2004	754,734	2,241	100	(752,162)	4,913
Conversion of preference shares <i>(note 21 (b)(ii))</i>	(152)	-	(48)	-	(200)
Loss for the year	-	-	-	(58,348)	(58,348)
Dividends	-	-	-	(13)	(13)
At 30 April 2005	754,582	2,241	52	(810,523)	(53,648)

At the balance sheet date, the Company had no reserves available for distribution to shareholders (2004:Nil).

## Notes to the Accounts

For the year ended 30 April 2005

### 23. DEFERRED TAXATION

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

	Group		Company	
	2005	2004	2005	2004
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Taxable temporary differences	(155)	(81)	(155)	(81)
Tax losses	<u>77,712</u>	<u>62,495</u>	<u>66,269</u>	<u>61,038</u>

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

### 24. CONTINGENT LIABILITIES

The Company entered into letters of guarantee with a financial creditor 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

#### (a) Capital commitments

	Group	
	2005	2004
	HK\$'000	HK\$'000
Business acquisition:		
Contracted but not provided for ( <i>Notes (i) and (ii)</i> )	<u>46,198</u>	—
	<u>46,198</u>	—

At the balance sheet date, the Company did not have any capital commitments (2004: Nil).

## Notes to the Accounts

For the year ended 30 April 2005

### 25. COMMITMENTS (Continued)

#### (a) Capital commitments (Continued)

Notes:

- i. On 8 June 2004, a subsidiary of the Company, Keung Tai Holdings Limited, entered into a joint venture agreement with an independent third party to establish an equity joint venture company, 中民樂彩科技有限公司 (“中民樂彩”), in the PRC. Pursuant to the agreement, the subsidiary agreed to contribute RMB21,000,000 (equivalent to approximately HK\$19,783,000) and would have a 70% equity interest in 中民樂彩. The principal activity of 中民樂彩 is to carry on the business of development of computer hardware, software and networking system and integration for instant result type online lottery. The registered capital and total investment amount of 中民樂彩 is RMB30,000,000 (equivalent to approximately HK\$28,261,000). Up to 30 April 2005, the subsidiary had not yet made any contribution in respect of its commitment to invest in 中民樂彩. Both the joint venturers and the subsidiary verbally agreed to extend the prescribed period for injection of the required contribution to 31 October 2005, which is still subject to the approval of the relevant authority in the PRC. Therefore, in the opinion of the directors, the joint venture agreement has not yet been fulfilled and completed at the year end date.
- ii. On 23 June 2004, a subsidiary of the Company, Advance Victory Investments Limited, entered into a joint venture agreement with an independent third party to establish an equity joint venture company, 鑫運科技有限公司 (“鑫運科技”), in the PRC. Pursuant to the agreement, the subsidiary agreed to contribute RMB 28,000,000 (equivalent to approximately HK\$26,415,000) and would have a 80% equity interest in 鑫運科技. The principal activity of 鑫運科技 is to undertake the project on the implementation of National Products and Services Coding System. The registered capital and total investment amount of 鑫運科技 is RMB35,000,000 (equivalent to approximately HK\$33,018,000). Up to 30 April 2005, the subsidiary had not yet made any contribution in respect of its commitment to invest in 鑫運科技. Both the joint venturers and the subsidiary mutually agreed to extend the prescribed period for injection of the required contribution to 31 October 2005, which is still subject to the approval of the relevant authority in the PRC. Therefore, in the opinion of the directors, the joint venture agreement has not yet been fulfilled and completed at the year end date.

## Notes to the Accounts

For the year ended 30 April 2005

### 25. COMMITMENTS (Continued)

#### (b) Commitments under operating leases

	Group	
	2005	2004
	HK\$'000	HK\$'000
As at 30 April 2005, the Group's future minimum lease payments under non-cancellable operating leases are payable as follows:		
Land and buildings		
– within one year	2,211	1,210
– after one and within five years	–	809
	<u>2,211</u>	<u>2,019</u>

The leases run for a period of one year and do not include any contingent rentals. As at 30 April 2005, the Company did not have any operating leases commitments (2004: Nil).

## Notes to the Accounts

For the year ended 30 April 2005

### 26. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

#### Deconsolidation of subsidiaries

	2005 HK\$'000	2004 HK\$'000
Net liabilities deconsolidated:		
Other assets	–	3,120
Loan, trade and other receivable	–	10
Prepayments and deposits	–	48
Cash and bank balances	–	54
Temporary deposits, accounts payable and accruals	–	(8,218)
Net balance due from the Group	–	673
	–	(4,313)
Realisation of exchange reserve upon deconsolidation of subsidiaries	–	255
Gain on deconsolidation of subsidiaries	–	4,782
	–	724
Satisfied by:		
Cash consideration *	–	–
Reclassified as subsidiaries not consolidated	–	724
	–	724
* The cash consideration is Nil (2004: HK\$26)		
Analysis of the net outflow of cash and cash equivalents in respect of deconsolidation of subsidiaries:		
Cash and bank balances	–	(54)

The subsidiaries deconsolidated for the year ended 30 April 2004 did not contribute any turnover and contributed a loss for the year ended 30 April 2004 of approximately HK\$36,000.

## Notes to the Accounts

For the year ended 30 April 2005

### 27. 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 2005, are as follows:

	2005 HK\$'000	2004 HK\$'000
Jointly controlled entities:		
Balances due from the Group	20	20
Balances due to the Group	136,311	136,311
Allowances for impairment losses	<u>(66,301)</u>	<u>(66,301)</u>

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.

### 28. 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 2005

### 29. 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
China National Resources Investments Limited (Formerly as Ming Ze Group Limited)	Hong Kong	HK\$2	–	100	Ordinary	Investment holding
Goldright Finance Limited	British Virgin Islands	US\$1	100	–	Ordinary	Securities trading
Trade Epoch International Limited	Hong Kong	HK\$1	–	100	Ordinary	Investment holding
China Valley Investments Limited	Hong Kong	HK\$1	–	100	Ordinary	Investment holding
Keung Tai Holdings Limited	British Virgin Islands	US\$100	–	51	Ordinary	Investment holding
Advance Victory Investments Limited	British Virgin Islands	US\$1	100	–	Ordinary	Investment holding

### 30. APPROVAL OF ACCOUNTS

The accounts were approved and authorised for issue by the board of directors on 29 September 2005.