

1 Basis of preparation of financial statements and accounting policies

The condensed interim financial statements of the Group have been prepared in accordance with Statement of Standard Accounting Practice (“SSAP”) No. 25 “Interim Financial Reporting”, issued by the Hong Kong Society of Accountants. The accounting policies adopted and basis of preparation used in preparing the interim financial statements are consistent with those used in preparing the annual financial statements for the year ended 31st December 2000.

The unaudited interim results of the Group have been prepared on a going concern basis. The directors are of the opinion that the Group have been successful in obtaining new working capital and in restructuring the Group’s debts as mentioned in “Results of Restructuring”. On this basis, the directors consider that it is appropriate to prepare the condensed interim financial statements on a going concern basis.

2 Taxation

No provision for Hong Kong profits tax has been made as there are no assessable profits for the period.

As at 30th June 2001, the Group has no material unprovided deferred tax liabilities.

3 Basic profit/(loss) per share

The calculation of basic profit/(loss) per share is based on the consolidated profit attributable to the shareholders for the six months ended 30th June 2001 of HK\$14,635,000 (2000: loss of HK\$13,051,000) and the weighted average number of 730,800,000 (2000: 730,800,000) ordinary shares in issue during the period.

4 Depreciation

During the period, depreciation of HK\$298,000 (2000: HK\$296,000) was charged in respect of the Group’s fixed assets.

5. Trade receivables

Ageing analysis of trade receivables at 30th June 2001 (net of specific provision for bad and doubtful debts) was as follows:

	As at 30th June 2001 HK\$’000	As at 31st December 2000 HK\$’000
Current – 3 months	–	–
3 months – 6 months	–	–
6 months – 12 months	–	166
Over 1 year	–	280
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	–	446
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6 Trade and other payables

		As at 30th June 2001 HK\$'000	As at 31st December 2000 HK\$'000
	<i>Note</i>		
Trade payables	7	23	23
Other accounts payables		18,393	14,856
Accruals		137	122
		<hr/>	<hr/>
		18,553	15,001
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7 Trade payables

Ageing analysis of trade payables at 30th June 2001 was as follows:

	As at 30th June 2001 HK\$'000	As at 31st December 2000 HK\$'000
Current – 3 months	–	–
3 months – 6 months	–	–
6 months – 12 months	–	–
Over 1 year	23	23
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	23	23
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