

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September 2003

	As at 30 September 2003 HK\$'000	As at 30 September 2002 HK\$'000
Net cash inflow /(outflow) from operations activities	4,332	(9,531)
Net cash outflow from investing activities	(5,133)	(2,180)
Net cash outflow from financing activities	(231)	20,066
Increase/(decrease) in cash and cash equivalents	(1,032)	8,355
Cash and cash equivalents at beginning of period	3,673	18,119
Cash and cash equivalents at end of period	2,641	26,474

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30th September 2003

### 1. Basis of preparation

These unaudited interim consolidated accounts have been prepared in accordance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants and Appendix 16 of the Listing Rules of the Stock Exchange of Hong Kong Limited. The accounting policies used in the preparation of the interim accounts are consistent with those used in the annual accounts for the year ended 31st March, 2003.

### 2. Principal Accounting Policies

The accounting policies adopted are consistent with those followed in the preparation of the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2003, except that the Company has adopted, for the first time in the current period, SSAP No. 12 (Revised) "Income taxes" ("SSAP 12 (Revised)") issued by the HKSA.

The principal effect of the adoption of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method under which a liability was recognized in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognized in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. The adoption of this standard has had no significant effect on the results for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.