

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 September	
	2004	2003
	Unaudited HK\$'000	Unaudited HK\$'000
Net cash inflow from operating activities	75,926	50,136
Net cash outflow from investing activities	(350)	(218,498)
Net cash inflow/(outflow) from financing activities	(24,384)	16,171
 INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	 51,192	 (152,191)
 Cash and cash equivalents at beginning of period	 346,951	 283,740
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	 <u>398,143</u>	 <u>131,549</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and basis of preparation used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those used in the audited financial statements for the year ended 31 March 2004, except that SSAP 36 "Agriculture" has been adopted for the first time in the preparation of the current period's unaudited condensed consolidated interim financial statements.

SSAP 36 prescribes the accounting treatment, financial statement presentation and disclosures related to agricultural activity. Agricultural activity comprises an entity's management of the biological transformation of living animals or plants (biological assets) for sale, into either agricultural produce or into additional biological assets.

In general, biological assets on initial recognition and at each balance sheet date are measured at fair value less estimated point-of-sale costs. Agricultural produce harvested from an entity's biological assets is measured at its fair value less estimated point-of-sale costs at the point of harvest. Gains and losses arising on initial recognition and subsequent changes in fair values are included in the profit and loss account.

The adoption of SSAP 36 has had no significant impact for these unaudited condensed consolidated interim financial statements on amounts recorded for biological assets.