

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th September 2004

	As at 30th September, 2004 <i>HK\$'000</i>	As at 30th September, 2003 <i>HK\$'000</i>
Net cash inflow from operations activities	1,786	4,332
Net cash outflow from investing activities	(3,342)	(5,133)
Net cash outflow from financing activities	(206)	(231)
Decrease in cash and cash equivalents	(1,762)	(1,032)
Cash and cash equivalents at 1st April, 2004	1,787	3,673
Cash and cash equivalents at 30th September, 2004	25	2,641

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30th September 2004

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.

2. Principal Accounting Policies

The condensed financial statements have been prepared under the historical cost convention and the accounting policies adopted are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2004

3. Turnover

	September 2004 HK\$'000	September 2003 HK\$'000
Sales of goods	–	130
Rental Income	<u>1,829</u>	<u>1,824</u>
	<u>1,829</u>	<u>1,954</u>

Turnover represents the amounts received and receivable for goods to outside customers, less returns and allowances, and rental income during the period.

4. Loss from operations

Business Segments Results

	September 2004 HK\$'000	September 2003 HK\$'000
Sales of goods	–	(19,899)
Rental Income	<u>(22,139)</u>	<u>(3,402)</u>
Loss from operations	<u>(22,139)</u>	<u>(23,301)</u>

	September 2004 HK\$'000	September 2003 HK\$'000
Geographical region		
Mainland China	–	(19,899)
Hong Kong	<u>(22,139)</u>	<u>(3,402)</u>
	<u>(22,139)</u>	<u>(23,301)</u>

5. Finance costs

	September 2004 HK\$'000	September 2003 HK\$'000
Interest on		
– bank borrowings wholly repayable within five years	<u>206</u>	<u>180</u>

6. Loss per shares – Basic

The calculation of loss per share is based on the loss attributable to shareholders of approximately HK\$22,345,000 (2003: loss of approximately HK\$14,527,000) and on the weighted average of 959,853,000 shares (2003: weighted average 959,853,000 shares) in issue during the period. The loss per share for 2004 has been adjusted accordingly.

7. Trade and other receivables

The trade and other receivables included trade receivable of approximately HK\$48,000 (31st March, 2004: HK\$54,000). The ageing analysis of trade receivables was as follows:

	September 2004 <i>HK\$'000</i>	March 2004 <i>HK\$'000</i>
0 – 1 month	42	48
1 – 2 months	6	6
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	48	54
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8. Trade and other payables

The trade and other payables included trade payables of approximately HK\$3,465,000 (31st March, 2004: HK\$649,000). The ageing analysis of trade payables was as follows:

	September 2004 <i>HK\$'000</i>	March 2004 <i>HK\$'000</i>
0 – 1 month	59	11
1 – 2 months	166	131
2 – 3 months	195	–
over 3 months	3,045	507
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	3,465	649
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9. Share capital

	Number of shares	Share Capital <i>HK\$'000</i>
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Ordinary shares of HK\$0.10 each:

Issued and fully paid		
As at 30th September, 2004	959,853,750	95,985
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