

At 31 March 2005

CHINA WATER AFFAIRS GROUP LIMITED

	Note	2005 HK\$'000	2004 HK\$'000
<b>Non-current assets</b>			
Fixed assets	12	59,927	56,828
Non-current portion of trade and bills receivables	17	3,441	–
Interests in associates	19	1,200	12,835
Deposit for acquisition of subsidiaries	15	–	17,680
Long term investments	14	–	–
		<b>64,568</b>	<b>87,343</b>
<b>Current assets</b>			
Inventories	16	2,160	853
Trade and bills receivables	17	6,498	14
Short term investment	18	–	3,517
Prepayments, deposits and other receivables		18,180	3,299
Bank and cash balances	20	20,239	3,197
		<b>47,077</b>	<b>10,880</b>
<b>Current liabilities</b>			
Trade payables	21	1,431	724
Accrued liabilities and other payables		19,501	12,671
Bank loans	22	10,094	10,566
Current portion of other loans	23	8,103	6,956
Due to a shareholder	24	–	3,130
Due to a director	24	4,751	1,811
Due to a related company	24	–	472
Due to minority shareholders of subsidiaries	24	11,381	372
Promissory notes	25	–	3,000
Convertible note	26	1,061	–
Taxation		2,317	–
		<b>58,639</b>	<b>39,702</b>
<b>Net current liabilities</b>		<b>(11,562)</b>	<b>(28,822)</b>
<b>Total assets less current liabilities</b>		<b>53,006</b>	<b>58,521</b>
<b>Non-current liabilities</b>			
Non-current portion of other loans	23	–	7,358
Promissory notes	25	10,480	10,480
Convertible note	26	–	10,608
		<b>10,480</b>	<b>28,446</b>
Minority interests		<b>7,476</b>	<b>9,791</b>
<b>NET ASSETS</b>		<b>35,050</b>	<b>20,284</b>

# CONSOLIDATED BALANCE SHEET

At 31 March 2005

CHINA WATER AFFAIRS GROUP LIMITED

	Note	2005 HK\$'000	2004 HK\$'000
<b>Capital and reserves</b>			
Issued capital	28	<b>4,813</b>	2,920
Reserves	29(a)	<b>30,237</b>	17,364
<b>SHAREHOLDERS' FUNDS</b>		<b>35,050</b>	20,284

Approved by the Board of Directors on 27 July 2005

**DUAN Chuan Liang**  
*Director*

**TSUI Chi Kin**  
*Director*

The notes on pages 27 to 62 form an integral part of these financial statements.