

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 March 2004

	<i>Notes</i>	<b>2004</b> <b><i>HK\$'000</i></b>	<b>2003</b> <b><i>HK\$'000</i></b>
TURNOVER	6, 7	38,243	31,136
Cost of sales	7	<u>(35,246)</u>	<u>(27,757)</u>
Gross profit	7	2,997	3,379
Other revenue and gains	6	1,424	161
Administrative expenses		(15,135)	(15,219)
Write-back of provision for doubtful debts		<u>2,233</u>	<u>3,086</u>
LOSS FROM OPERATING ACTIVITIES	8	(8,481)	(8,593)
Finance costs	9	(518)	(212)
Share of loss of a jointly-controlled entity		<u>(25)</u>	<u>–</u>
LOSS BEFORE TAX		(9,024)	(8,805)
Tax	11	<u>(135)</u>	<u>–</u>
LOSS BEFORE MINORITY INTERESTS		(9,159)	(8,805)
Minority interests		<u>27</u>	<u>45</u>
NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS	12	<u><b>(9,132)</b></u>	<u><b>(8,760)</b></u>
LOSS PER SHARE	13		
Basic		<u><b>0.63 cents</b></u>	<u><b>1.02 cents</b></u>
Diluted		<u><b>N/A</b></u>	<u><b>N/A</b></u>

# CONSOLIDATED BALANCE SHEET

31 March 2004

	<i>Notes</i>	2004 <i>HKS'000</i>	2003 <i>HKS'000</i>
<b>NON-CURRENT ASSETS</b>			
Fixed assets	<i>14</i>	279	367
Interest in a jointly-controlled entity	<i>15</i>	556	–
		<u>835</u>	<u>367</u>
<b>CURRENT ASSETS</b>			
Due from fellow subsidiaries	<i>17</i>	1,695	499
Gross amounts due from contract customers	<i>18</i>	750	1,003
Properties held for sale	<i>19</i>	46,569	–
Trade receivables	<i>20</i>	5,945	6,534
Other receivables		9,925	1,507
Pledged time deposits	<i>21</i>	5,283	5,122
Cash and bank balances	<i>21</i>	1,051	2,242
		<u>71,218</u>	<u>16,907</u>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	<i>22</i>	3,736	1,149
Retention money payable		1,146	717
Tax payable		12	–
Other payables and accruals		3,759	1,231
Provision for scheme debts	<i>23</i>	1,047	1,047
Gross amounts due to contract customers	<i>18</i>	4,947	6,480
Interest-bearing bank borrowings	<i>24</i>	4,778	–
Due to fellow subsidiaries	<i>17</i>	11,652	121
Due to ultimate holding company	<i>17</i>	202	–
Convertible notes	<i>25</i>	–	9,675
		<u>31,279</u>	<u>20,420</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>39,939</u>	<u>(3,513)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,774</u>	<u>(3,146)</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings	<i>24</i>	(7,432)	–
MINORITY INTERESTS		<u>(274)</u>	<u>(683)</u>
		<u>33,068</u>	<u>(3,829)</u>
<b>CAPITAL AND RESERVES</b>			
Issued capital	<i>27</i>	106,380	86,228
Reserves	<i>29</i>	(73,312)	(90,057)
		<u>33,068</u>	<u>(3,829)</u>

Tjia Boen Sien  
*Director*

Wang Ke Duan  
*Director*

## CONSOLIDATED SUMMARY STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2004

	<i>Notes</i>	<b>2004</b> <b><i>HKS'000</i></b>	<b>2003</b> <b><i>HKS'000</i></b>
Total equity at 1 April		(3,829)	4,928
Exercise of warrants	27	–	3
Exercise of convertible notes, including share premium	25, 27, 29	29	–
Issue of new shares	27	46,000	–
Net loss for the year	29	<u>(9,132)</u>	<u>(8,760)</u>
Total equity at 31 March		<u><u>33,068</u></u>	<u><u>(3,829)</u></u>

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2004

	<i>Notes</i>	2004 <i>HKS'000</i>	2003 <i>HKS'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(9,024)	(8,805)
Adjustments for:			
Finance costs	9	518	212
Share of loss of a jointly-controlled entity		25	–
Interest income	6	(62)	(109)
Depreciation	8	125	163
Gain on disposal of fixed assets	8	(2)	(4)
		<u>          </u>	<u>          </u>
Operating loss before working capital changes		(8,420)	(8,543)
Increase in amount due from fellow subsidiaries		(824)	(499)
Increase in amount due from a jointly-controlled entity		(81)	–
Decrease in gross amounts due from contract customers		253	350
Decrease/(increase) in trade receivables		589	(1,952)
Increase in other receivables		(8,306)	(190)
Increase/(decrease) in trade and bills payables		2,587	(320)
Increase in retention money payable		429	349
Increase in other payables and accruals		1,941	483
Increase/(decrease) in gross amounts due to contract customers		(1,533)	3,466
Increase in amount due to fellow subsidiaries		11,531	121
Increase in amount due to the ultimate holding company		202	–
		<u>          </u>	<u>          </u>
Cash used in operations		(1,632)	(6,735)
Overseas taxes paid		(135)	–
		<u>          </u>	<u>          </u>
Net cash outflow from operating activities		<u>(1,767)</u>	<u>(6,735)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		62	109
Purchases of fixed assets	14	(37)	(142)
Proceeds from disposal of fixed assets		2	4
Capital contribution to a jointly-controlled entity		(500)	–
Acquisition of subsidiaries	30	(454)	–
Repayment to the minority shareholders		(382)	–
Decrease/(increase) in pledged time deposits		(161)	378
		<u>          </u>	<u>          </u>
Net cash inflow/(outflow) from investing activities		<u>(1,470)</u>	<u>349</u>

# CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 March 2004

	<i>Notes</i>	<b>2004</b> <i>HKS'000</i>	2003 <i>HKS'000</i>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(518)	(212)
Exercise of warrants	27	–	3
Redemption of convertible notes	25	(9,646)	–
Increase/(decrease) in trust receipt loans		261	(482)
New bank loans		8,500	–
Repayment of bank loans		(383)	–
		<u>(1,786)</u>	<u>(691)</u>
Net cash outflow from financing activities		<u>(1,786)</u>	<u>(691)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>			
		(5,023)	(7,077)
Cash and cash equivalents at beginning of year		<u>2,242</u>	<u>9,319</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<u><b>(2,781)</b></u>	<u><b>2,242</b></u>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	21	1,051	2,242
Bank overdrafts	24	(3,832)	–
		<u>(2,781)</u>	<u>2,242</u>

# BALANCE SHEET

31 March 2004

	<i>Notes</i>	<b>2004</b> <i>HK\$'000</i>	<b>2003</b> <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Interests in subsidiaries	<i>16</i>	<u>28,812</u>	<u>(11,167)</u>
<b>CURRENT ASSETS</b>			
Other receivables		3,314	151
Cash and cash equivalents	<i>21</i>	<u>28</u>	<u>32</u>
		<u>3,342</u>	<u>183</u>
<b>CURRENT LIABILITIES</b>			
Provision for scheme debts	<i>23</i>	1,047	1,047
Other payables and accruals		738	458
Due to ultimate holding company	<i>17</i>	202	–
Due to a fellow subsidiary	<i>17</i>	8,819	–
Convertible notes	<i>25</i>	–	9,675
		<u>10,806</u>	<u>11,180</u>
<b>NET CURRENT LIABILITIES</b>		<u>(7,464)</u>	<u>(10,997)</u>
		<u>21,348</u>	<u>(22,164)</u>
<b>CAPITAL AND RESERVES</b>			
Issued capital	<i>27</i>	106,380	86,228
Reserves	<i>29</i>	<u>(85,032)</u>	<u>(108,392)</u>
		<u>21,348</u>	<u>(22,164)</u>

**Tjia Boen Sien**  
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