

FASTECH SYNERGY LTD**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

FOR THE QUARTER ENDED 31 MARCH 2004 AND 2003

(Amounts in United States Dollars)

	Group	
	First Quarter	
	2004	2003
	\$	\$
Revenues	5,041,211	4,561,834
Cost of goods sold	4,577,706	4,457,678
Gross profit	463,505	104,156
Operating expenses		
General and administrative	831,456	768,945
Sales and marketing	89,739	85,212
Total operating expenses	921,195	854,157
Loss from operations	457,690	750,001
Other income (expenses)		
Interest and bank charges	(223,195)	(247,726)
Foreign exchange gains	98,699	66,004
Share in joint venture results	3,862	(737)
Others	16,476	(11,839)
Total other expenses	(104,158)	(194,298)
Loss before income tax and minority interests	561,848	944,299
Provision for income tax	791	3,985
Loss before minority interests	562,639	948,284
Minority interests	480	(16,532)
Net loss	563,119	931,752
Basic loss per share	(0.003)	(0.006)

FASTECH SYNERGY LTD

BALANCE SHEETS

31 MARCH 2004

(Amounts in United States Dollars)

	Group		Company	
	2004	2003	2004	2003
	\$	\$	\$	\$
Non-Current Assets				
Property, plant and equipment	29,272,347	30,205,469	-	-
Investments in subsidiaries	-	-	13,361,271	13,361,271
Investment in a joint venture	167,287	163,425	191,648	191,648
Other non-current assets	702,262	580,343	-	-
	<u>30,141,896</u>	<u>30,948,237</u>	<u>13,552,919</u>	<u>13,552,919</u>
Current Assets				
Inventories	1,358,361	1,256,505	-	-
Trade and other receivables	3,397,751	2,107,007	11,383,370	11,790,766
Prepaid expenses and other current assets	470,664	433,990	7,009	9,345
Cash and bank balances	368,390	1,184,618	917	6,672
	<u>5,595,166</u>	<u>4,983,120</u>	<u>11,391,296</u>	<u>11,806,783</u>
Current Liabilities				
Loans payable	4,926,581	5,727,041	-	-
Accounts payable and accrued expenses	5,730,812	4,606,000	140,296	142,821
Income tax payable	20,874	21,013	-	-
Current portion of long- term debt	1,296,504	2,810,601	1,538,160	1,760,476
Current portion of liability under finance lease	74,669	74,669	-	-
	<u>12,051,440</u>	<u>13,240,324</u>	<u>1,678,456</u>	<u>1,903,297</u>
Net Current Assets (Liabilities)	<u>(6,456,274)</u>	<u>(8,257,204)</u>	<u>9,712,840</u>	<u>9,904,486</u>
Non- Current Liabilities				
Long-term debt - net of current portion	2,600,730	1,039,704	-	-
Deferred tax liability	2,037	3,836	-	-
Liability under finance lease- net of current portion	46,025	46,025	-	-
	<u>2,648,792</u>	<u>1,089,565</u>	<u>-</u>	<u>-</u>
Net Assets	<u>21,036,830</u>	<u>21,601,468</u>	<u>23,265,759</u>	<u>23,457,405</u>
Equity				
Capital stock	16,818,636	16,818,636	16,818,636	16,818,636
Share premium	4,041,093	4,041,093	4,041,093	4,041,093
Contributed surplus	-	-	2,268,829	2,268,829
Retained earnings	153,932	717,051	137,201	327,847
	<u>21,013,661</u>	<u>21,576,780</u>	<u>23,265,759</u>	<u>23,457,405</u>
Minority Interests	<u>26,167</u>	<u>25,686</u>	<u>-</u>	<u>-</u>
Equity and Minority Interests	<u>21,036,830</u>	<u>21,601,468</u>	<u>23,265,759</u>	<u>23,457,405</u>

FASTECH SYNERGY LTD**CONSOLIDATED STATEMENT OF CASH FLOW****FOR THE QUARTER ENDED 31 MARCH 2004**

(Amounts in United States Dollars)

	Group	
	2004	2003
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax and minority interests	561,848	944,296
Adjustments for:		
Depreciation and amortization	1,405,770	1,518,412
Interest expense	234,947	264,478
Provisions for:		
Doubtful trade receivables	-	15,559
Possible losses on advances to suppliers	-	-
Inventory obsolescence	-	6,592
Amortization of prepaid rent	22,202	21,155
Write-off of fixed assets	1,623	-
Interest income	(11,752)	(15,752)
Share in joint venture results	(3,862)	737
Unrealized foreign exchange loss(gain)	17,462	(66,004)
Operating income before working capital changes	1,104,542	800,881
Decrease (increase) in:		
Trade and other receivables	(1,293,023)	(481,406)
Inventories	(101,856)	182,058
Prepaid expenses and other current assets	(60,932)	(4,999)
Increase in accounts payable and accrued expenses	1,112,962	643,681
Net cash generated from operations	761,693	1,140,215
Interest paid	(229,307)	(276,177)
Interest received	15,586	28,451
Income tax paid	(2,718)	-
Net cash generated from operating activities	545,254	892,489
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(474,272)	(290,526)
Decrease (increase) in other non-current assets	(125,763)	21,925
Net cash used in investing activities	(600,035)	(268,601)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from :		
Long-term debt	46,929	-
Loans payable	1,644,931	539,839
Payments of:		
Loans payable	(2,454,206)	(602,303)
Liability under finance lease	-	(15,294)
Decrease in minority interests	-	(2,583)
Net cash used in financing activities	(762,346)	(80,341)
Net increase (decrease) in cash and bank balances	(817,127)	543,547
Cash and bank balances at the beginning of the year	1,184,618	232,569
Cash and bank balances at the end of the year	367,491	776,116