

CHAIRMAN'S STATEMENT

RESULTS

enterpriseAsia plc and its subsidiaries recorded an unaudited consolidated loss of £165,389 for the six months ended 30 June 2004 compared with a loss of £350,028 in the corresponding period in 2003.

As at 30 June 2004, the Company's unaudited net asset value per share was 0.34p (30 June 2003: 0.55p) and the cash balance under control was approximately 0.31p per share (30 June 2003: 0.52p per share).

DIVIDENDS

The directors are not recommending the payment of a dividend for the period.

BUSINESS STRATEGY

Following the approval given by shareholders to the greater flexibility in investment strategy at the Extraordinary General Meeting held on 25 August 2004, the directors are now examining new options to secure income for the company. Given the limited resources available, this is clearly no easy task but the board is optimistic about a number of prospects which have become possible within the broader investment framework outlined in the circular to shareholders in June 2004. I very much hope that we shall be able to report some positive news before the end of the year.

CIRCULATION OF COMPANY INTERIM REPORT

For the time being, the Directors have decided not to circulate an interim statement to shareholders. This is purely a temporary cost saving measure; any shareholder who wishes to see a copy of such statements (which have to be announced by the end of September of each year) may obtain a copy by applying to the registered office whose address is given at the end of this circular. Copies of the statement can also be viewed on the company's website (www.enterpriseasia.com.hk).

Davie Auyeung
Chairman

INDEPENDENT REVIEW REPORT

To the shareholders of enterpriseAsia plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2004 set out on pages 3 to 6 and we have read the other information contained in the interim report for any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where changes, and the reason for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2004.

MRI Moores Rowland LLP

Chartered Accountants

Registered Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT*Period from 1 January 2004 to 30 June 2004*

	6 months ended 30 June 2004 £	6 months ended 30 June 2003 £	Year ended 31 December 2003 £
Turnover			
Consultancy fee income	-	11,002	10,863
Other income	<u>1,457</u>	<u>-</u>	<u>-</u>
	1,457	11,002	10,863
Administrative expenses	(181,066)	(223,358)	(570,484)
Impairment loss on investments	-	(150,865)	(150,975)
Reversal (Provision) for doubtful debts	157	(220)	28,814
Impairment loss on intangible assets	-	-	(24,855)
Amortization of negative goodwill	8	-	-
	(179,444)	(363,441)	(706,637)
Other operating income	<u>5,080</u>	<u>1,671</u>	<u>4,007</u>
Operating loss	(174,364)	(361,770)	(702,630)
Other interest receivable and similar income	<u>4,819</u>	<u>11,742</u>	<u>18,207</u>
Loss on ordinary activities before taxation	(169,545)	(350,028)	(684,423)
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation	(169,545)	(350,028)	(684,423)
Minority interest	<u>4,156</u>	<u>-</u>	<u>-</u>
Loss for the period	<u>(165,389)</u>	<u>(350,028)</u>	<u>(684,423)</u>
Basic loss per share (pence)	<u>(0.07)</u>	<u>(0.15)</u>	<u>(0.29)</u>

CONSOLIDATED BALANCE SHEET*As at 30 June 2004*

	As at 30 June 2004 £	As at 31 December 2003 £
Fixed assets		
Tangible assets	15,170	5,336
Investments	<u>152,025</u>	<u>152,025</u>
	<u>167,195</u>	<u>157,361</u>
Intangible assets		
Negative goodwill	<u>(498)</u>	<u>-</u>
Current assets		
Investments	1,275,092	1,275,092
Debtors	32,314	48,857
Cash at bank and in hand	<u>744,773</u>	<u>883,012</u>
	<u>2,052,179</u>	<u>2,206,961</u>
Creditors: amounts falling due within one year	<u>(1,405,214)</u>	<u>(1,383,450)</u>
Net current assets	<u>646,965</u>	<u>823,511</u>
Net assets	<u><u>813,662</u></u>	<u><u>980,872</u></u>
Capital and reserves		
Called up share capital	2,395,985	2,395,985
Share premium account	9,175,770	9,175,770
Profit and loss account	<u>(10,756,272)</u>	<u>(10,590,883)</u>
Shareholders' funds – equity interests	<u><u>815,483</u></u>	<u><u>980,872</u></u>
Minority interest	<u><u>(1,821)</u></u>	<u><u>-</u></u>
Capital employed	<u><u>813,662</u></u>	<u><u>980,872</u></u>
Net asset value per ordinary share – Basic (pence)	<u><u>0.34</u></u>	<u><u>0.41</u></u>

The interim financial statements on pages 3 to 6 were approved by the board of directors on 27 September 2004 and were signed on its behalf by Ka Hang Lai:

CONSOLIDATED CASH FLOW STATEMENT*Period from 1 January 2004 to 30 June 2004*

	6 months ended 30 June 2004 £	6 months ended 30 June 2003 £	Year ended 31 December 2003 £
Net cash outflow from operating activities			
Operating loss	(174,364)	(361,770)	(702,630)
Deprecation of tangible assets	2,962	3,378	5,474
Loss on disposal of fixed tangible assets	-	-	5
Decrease in debtors	21,481	38,170	26,690
Increase in creditors within one year	13,518	26,551	10,323
Impairment loss	-	150,865	175,830
Reversal of the provision for doubtful debts	(157)	(1,588)	(28,814)
Amortization of negative goodwill	(8)	-	-
Net cash outflow from operating activities	(136,568)	(144,394)	(513,122)
Returns on investments and servicing of finance			
Bank interest received	4,819	8,841	13,561
Other interest received	-	2,901	4,646
Net cash inflow for returns on investments and servicing of finance	4,819	11,742	18,207
Capital expenditure and financial investments			
Acquisition of subsidiaries	(3,949)	-	-
Payments to acquire tangible assets	(2,541)	(62)	(121)
Proceed on disposal of tangible fixed assets	-	170	41
Payments to acquire tangible fixed asset investments	-	-	(806)
Net cash (outflow) inflow for capital expenditure	(6,490)	108	(886)
Net cash outflow before management of liquid resources and financing	(138,239)	(132,544)	(495,801)
Financing			
Loan from investee company	-	-	-
Net cash inflow from financing	-	-	-
Net decrease in cash in the period	(138,239)	(132,544)	(495,801)
Reconciliation of net cash flow to movement in funds			
Decrease in cash in the period	(138,239)	(132,544)	(495,801)
Movement in net funds in the period	(138,239)	(132,544)	(495,801)
Translation difference	-	-	853
Opening net funds	883,012	1,377,960	1,377,960
Closing net funds	744,773	1,245,416	883,012

INTERIM ANNOUNCEMENT - NOTES

Period from 1 January 2004 to 30 June 2004

1. The information relating to the six month periods ended 30 June 2003 and 30 June 2004 is unaudited. The information relating to the year ended 31 December 2003 is extracted from the audited accounts of the Company which have been filed at Companies House and on which the auditors issued an unqualified opinion.
2. The above financial information does not constitute statutory accounts within the meaning of Section 240 Companies Act 1985.
3. Loss per share is based on the weighted average number of shares in issue during the period ended 30 June 2004 of 239,598,496 (2003: 239,598,496).

COMPANY INFORMATION

Directors Davie Auyeung (Non-Executive Chairman)
Phillip Brown (Corporate Relations Director)
Philip Bing Lun Lam (Non-Executive Director)
Ka Hang Lai (Chief Executive Officer)

Secretary Phillip Brown

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