THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in LONG SUCCESS INTERNATIONAL (HOLDINGS) LIMITED ("the Company"), you should at once hand this prospectus to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in the shares of the Company may be settled through the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited ("HKSCC") and you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of this prospectus, together with copies of the provisional allotment letter and the form of application for excess Rights Shares and the written consent of GC Alliance Limited have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance of Hong Kong. A copy of this prospectus has been or will as soon as reasonably practicable be filed with the Registrar of Companies in Bermuda in accordance with the Companies Act 1981 of Bermuda (as amended). The Registrar of Companies in Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of any of the documents referred to above.

The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

LONG SUCCESS
百齡國際

LONG SUCCESS INTERNATIONAL (HOLDINGS) LIMITED
百齡國際（控股）有限公司*

(incorporated in Bermuda with limited liability)
(Stock Code: 8017)

RIGHTS ISSUE OF 303,030,000 RIGHTS SHARES IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY EXISTING SHARE HELD AT HK$0.13 PER RIGHTS SHARE WITH BONUS SHARE ISSUE OF 303,030,000 BONUS SHARES TO BE ISSUED ON THE BASIS OF ONE BONUS SHARE FOR EVERY FULLY PAID RIGHTS SHARE

Underwriter of the Rights Issue

新鴻基金融集團
SUN HUNG KAI FINANCIAL

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter, to terminate the Underwriting Agreement if at any time prior to 6:00 p.m. on the Settlement Date: (a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by: (i) the introduction of any new law or regulation or any change in existing laws or regulation (or the judicial interpretation thereof) or any other similar event which in the absolute opinion of Underwriter has or is likely to have a material adverse effect on the business or financial condition or trading position or prospects of any member of the Group as a whole; or (ii) any change (whether or not permanent) in local, national or international economic, financial, political or military conditions or any event beyond the control of the parties hereto (including, without limitation, acts of government, strikes, explosion, flooding, civil commotion, acts of God or accident) which in the reasonable opinion of the Underwriter is or may be materially adverse in the context of the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or (iii) any change (whether or not permanent) in local, national or international stock market conditions (including any moratorium, suspension of or material restriction on trading in securities generally) which in the reasonable opinion of the Underwriter would materially and adversely affect the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or (iv) any change, or any development involving a prospective change, in taxation in Hong Kong, Bermuda or any other jurisdiction to which any member of the Group is subject or the implementation of any exchange controls which in the reasonable opinion of the Underwriter would or might materially and adversely affect any member of the Group or its present or prospective shareholders in their capacity as such; or (v) any change to the system pursuant to which the value of the currency of Hong Kong is linked to the currency of the United States of America and which would or may materially and adversely affect the Rights Issue; or (b) there comes to the notice of the Underwriter any matter or event showing any of the representations or warranties given by the Company under the Underwriting Agreement to be untrue or inaccurate in any material respect which in the reasonable opinion of the Underwriter is adverse in the context of the Rights Issue; (c) the Company and/or any of the Undertaking Shareholders is in breach of any of its or his or their respective obligations under the Underwriting Agreement or the Undertakings (as the case may be) which in the reasonable opinion of the Underwriter is material and adverse in the context of the Rights Issue; the Underwriter shall be entitled to terminate the Underwriting Agreement. If the Underwriter terminates the Underwriting Agreement, the Rights Issue and hence, the Bonus Share Issue will not proceed.

It should be noted that Shares have been dealt in on an ex-entitlements basis from Friday, 27 July 2007. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 8 August 2007 to Wednesday, 15 August 2007 (both days inclusive). If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled (which is expected to be Thursday, 23 August 2007) will accordingly bear the risk that the Rights Issue could not become unconditional and may not proceed.

* *For identification purpose only*

6 August 2007

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

SUMMARY OF THE RIGHTS ISSUE AND BONUS SHARE ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this prospectus:

Number of Rights Shares	303,030,000 Rights Shares
Amount to be raised	Approximately HK$39.4 million before expenses
Subscription Price	HK$0.13 for each Rights Share payable in full on acceptance or application
Latest time for acceptance	4:00 p.m. on Monday, 20 August
Basis of Rights Issue	one Rights Share for every existing Share held on the Record Date
Number of Bonus Shares	303,030,000 Shares
Basis of Bonus Share Issue	One Bonus Share for every fully paid Rights Share
Right of excess applications	Provisional allottees have the right to apply for Rights Shares in excess of their provisional allotments

The expected timetable for the Rights Issue and Bonus Share Issue is set out below:

	2007
Record Date	Friday, 3 August
SGM	Friday, 3 August
Register of members reopens	Monday, 6 August
First day of dealings in nil-paid Rights Shares	Wednesday, 8 August
Last Day for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 10 August
Last day of dealings in nil-paid Rights Shares	Wednesday, 15 August
Latest time for acceptance of, and payment of Rights Share and application for excess Rights Shares	4:00 p.m. on Monday, 20 August
Underwriting Agreement becomes unconditional	6:00 p.m. on Thursday, 23 August
Announcement of the results of the Rights Issue to be published	Monday, 27 August
Refund cheques for wholly and partially unsuccessful excess applications to be posted	Tuesday, 28 August
Share certificates for Rights Shares and Bonus Shares to be posted on or before	Tuesday, 28 August
First day of dealings in the Rights Shares and Bonus Shares	Thursday, 30 August

Note: all times refer to Hong Kong local times in this prospectus.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares will not take place if there is:

- a tropical cyclone warning signal number 8 or above, or

- a “black” rainstorm warning

  (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 20 August 2007. Instead the latest time of acceptance of and payment for the Rights Shares and application for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day;

  (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 20 August 2007. Instead the latest time of acceptance of and payment for the Rights Shares and application for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares does not take place on 20 August 2007, the dates mentioned in the section headed “Expected timetable” in this prospectus may be affected. A press announcement will be made by the Company in such event.

Dates stated in this prospectus for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable for the Rights Issue and the Bonus Share Issue will be announced as appropriate.

TERMINATION OF THE UNDERWRITING AGREEMENT

If any time prior to the Latest Time for Termination, which is 6:00 p.m. on the Settlement Date:

(a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

   i. the introduction of any new law or regulation or any change in existing laws or regulation (or the judicial interpretation thereof) or any other similar event which in the absolute opinion of Underwriter has or is likely to have a material adverse effect on the business or financial condition or trading position or prospects of any member of the Group as a whole; or

   ii. any change (whether or not permanent) in local, national or international economic, financial, political or military conditions or any event beyond the control of the parties hereto (including, without limitation, acts of government, strikes, explosion, flooding, civil commotion, acts of God or accident) which in the reasonable opinion of the Underwriter is or may be materially adverse in the context of the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or

   iii. any change (whether or not permanent) in local, national or international stock market conditions (including any moratorium, suspension of or material restriction on trading in securities generally) which in the reasonable opinion of the Underwriter would materially and adversely affect the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or

   iv. any change, or any development involving a prospective change, in taxation in Hong Kong, Bermuda or any other jurisdiction to which any member of the Group is subject or the implementation of any exchange controls which in the reasonable opinion of the Underwriter would or might materially and adversely affect any member of the Group or its present or prospective shareholders in their capacity as such; or

   v. any change to the system pursuant to which the value of the currency of Hong Kong is linked to the currency of the United States of America and which would or may materially and adversely affect the Rights Issue; or

(b) there comes to the notice of the Underwriter any matter or event showing any of the representations or warranties given by the Company under the Underwriting Agreement to be untrue or inaccurate in any material respect which in the reasonable opinion of the Underwriter is adverse in the context of the Rights Issue; or

(c) the Company and/or any of the Undertaking Shareholders is in breach of any of its or his or their respective obligations under the Underwriting Agreement or the Undertakings (as the case may be) which in the reasonable opinion of the Underwriter is material and adverse in the context of the Rights Issue;

the Underwriter shall be entitled to terminate the Underwriting Agreement.

In this prospectus, the following expressions have the following meanings unless the context otherwise requires:

"Amendment of the Bye-laws"	the proposed amendment to bye-law 140(A) of the bye-laws of the Company to allow distribution to Shareholders on a non pro-rata basis
"Announcements"	the announcements of the Company dated 4 June 2007 and 25 June 2007 regarding, inter alia, the Rights Issue and the Bonus Share Issue
"associates "	has the meaning ascribed to it under the GEM Listing Rules
"Board"	board of Directors
"Bonus Share Issue"	the proposed issue of Bonus Shares on the basis of one new Share (credited as fully paid) for every fully paid Rights Share issued under the Rights Issue
"Bonus Shares"	303,030,000 new Shares to be allotted and issued by the Company pursuant to the Bonus Share Issue
"Business Day"	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"Bye-laws"	bye-laws of the Company
"CCASS"	Central Clearing and Settlement System established and operated by HKSCC
"Circular"	the circular of the Company dated 28 June 2007 regarding, inter alia, the Rights Issue and the Bonus Share Issue
"Companies Act"	The Companies Act 1981 of Bermuda (as amended)
"Companies Ordinance"	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
"Company"	Long Success International (Holdings) Limited (Stock Code: 8017), an exempted company incorporated in Bermuda with limited liability and the shares of which are listed in the Growth Enterprise Market in Hong Kong
"Dealing Date"	the date on which the Rights Shares and Bonus Shares commence dealings on the Stock Exchange

"Directors"	directors of the Company
"EAF"	excess application form for additional Rights Shares proposed to be issued to the Qualifying Shareholders
"Excluded Shareholders"	those Overseas Shareholders whom the Directors, after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"GC"	GC Alliance Limited, Certified Public Accountants
"GEM Listing Committee"	the listing sub-committee of the board of the Stock Exchange with responsibility for GEM
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the Growth Enterprise Market
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Independent Shareholders"	Shareholders save for Wide Fine International Limited, Mr. Sin Tim Iao, MS. Chen Anfeng and their respective associates
"Independent Third Party"	parties independent of the Company and its connected persons under the GEM Listing Rules
"Latest Practicable Date"	3 August 2007, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained herein
"Latest Time for Termination"	6:00 p.m. on Thursday, 23 August 2007 or other time to be agreed between the Company and Underwriter
"Overseas Shareholders"	Shareholders whose addresses on the register of members of the Company are outside Hong Kong on the Record Date
"PAL"	the renounceable provisional allotment letters representing the Rights Shares proposed to be issued to the Qualifying Shareholders
"Prospectus Documents"	prospectus relating to the Rights Issue, PAL and EAF
"Prospectus Posting Date"	Monday, 6 August 2007 or such later date as the Underwriter may agree with the Company

"Qualifying Shareholders"	Shareholders on the register of members of the Company on the Record Date other than the Excluded Shareholders
"Record Date"	Friday, 3 August 2007, being the date by reference to which entitlements under the Rights Issue and Bonus Share Issue will be determined
"Registrar"	Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong
"Rights Issue"	the proposed issue of the Rights Shares to Qualifying Shareholders on the terms set out in this prospectus
"Rights Share(s)"	the new Share(s) proposed to be issued to Qualifying Shareholders pursuant to the Rights Issue
"Settlement Date"	the day falling on the third Business Day after the last business day on which payment and acceptance of the Rights Shares can be made under the Rights Issue
"SGM"	the special general meeting of the Company held on 3 August 2007 at which resolutions to approve, inter alia, the Rights Issue and the Bonus Share Issue were passed.
"Shareholders"	holders of the Shares
"Shares"	ordinary shares of the Company of HK$0.10 each
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.13 per Rights Share pursuant to the Rights Issue
"Transaction"	the transactions contemplated under the supplemental agreement dated 21 May 2007 entered into between the Company, Mr. Sin Tim Iao, Ms. Chen Anfeng and Man Pou Gambling Promotion Company Limited, details of which are set out in the Circular
"Undertaking Shareholders"	those Shareholders, being Wide Fine International Limited, the Vendors, Mr. Lai Pak Leng and Mr. Lai Cho Wai, who have entered into the Undertakings
"Undertakings"	the undertakings made by the Undertaking Shareholders in favour of the Company to accept or procure the acceptance of the full entitlement of 187,500,000 Rights Shares by them under the Rights Issue

"Underwriter"	Sun Hung Kai International Limited, a company incorporated with limited liability in Hong Kong and the sole underwriter of the Rights Issue
"Underwriting Agreement"	the underwriting agreement dated 23 May 2007 entered into between the Company and the Underwriter in relation to the Rights Issue
"Underwritten Shares"	115,530,000 Rights Shares, being the total number of Rights Shares to be issued pursuant to the Rights Issue less those Rights Shares to be subscribed by the Undertaking Shareholders under the Undertakings
"%"	per cent

LONG SUCCESS 百齡國際

LONG SUCCESS INTERNATIONAL (HOLDINGS) LIMITED
百齡國際(控股)有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 8017)

Executive Directors:
Mr. Wong Kam Leong
Mr. Lai Cho Wai
Mr. Ma Chon

Independent non-executive Directors:
Mr. Ieong Ming Wa
Mr. Ng Kwok Chu, Winfield
Mr. Ng Chau Tung, Robert

Registered Office:
Canon Court
22 Victoria Street
Hamilton HK12
Bermuda

Head Office and principal Place of Business:
1309, West Tower,
Shun Tak Centre,
168-200 Connaught Road Central,
Hong Kong

6 August 2007

To the Qualifying Shareholders

Dear Sir or Madam,

RIGHTS ISSUE OF 303,030,000 RIGHTS SHARES IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY EXISTING SHARE HELD AT HK$0.13 PER RIGHTS SHARE WITH BONUS SHARE ISSUE OF 303,030,000 BONUS SHARES TO BE ISSUED ON THE BASIS OF ONE BONUS SHARE FOR EVERY FULLY PAID RIGHTS SHARE

INTRODUCTION

The Board announced on 4 June 2007 that, inter alia, the Company proposes to raise approximately HK$39.4 million before expenses by way of a rights issue of 303,030,000 Rights Shares at a price of HK$0.13 per Rights Share on the basis of one Rights Share for every existing Share held by the Qualifying Shareholders on the Record Date. In conjunction with the issue of the Rights Shares, the registered holders of fully paid Rights Shares will be issued one Bonus Share for every Rights Share successfully subscribed by the Qualifying Shareholders.

On 28 June 2007, a circular of the Company was dispatched to the Shareholders, a copy of which is available for inspection as mentioned in the section headed "Documents available for inspection" in

* *For identification purpose only*

Appendix III to this prospectus ("the Circular"). The Circular contained, inter alia, (i) details of the Transaction; the Rights Issue and the Bonus Share Issue; and the Amendment of the Bye-laws and (ii) the recommendation of the independent financial adviser to the Independent Board Committee (as defined in the Circular) and the Independent Shareholders.

The Transaction, the Rights Issue and the Bonus Share Issue and the Amendment of the Bye-Laws were approved by the Independent Shareholders at the SGM by poll. Shareholders who are interested or involved in the Rights Issue and the Bonus Share Issue, being Wide Fine International Limited (holding 102,500,000 Shares representing 33.8% of the issued share capital of the Company), Ms. Chen Anfeng (holding 25,000,000 Shares representing 8.25% of the issued share capital of the Company) and Mr. Sin Tim Iao (holding 15,000,000 Shares representing 4.95% of the issued share capital of the Company) together with their respective associates (Wide Fine International Limited, Ms. Chen Anfeng, Mr. Sin Tim Iao and their respective associates hold 142,500,000 Shares in total, representing 47% of the issued share capital of the Company), had abstained from voting at the SGM in respect of all the resolutions, inter alia, to approve the Rights Issue and Bonus Share Issue.

The purpose of this prospectus is to provide you with, further details of the Rights Issue and the Bonus Share Issue, including information on dealing and transfer of Rights Shares in their nil-paid form and the procedure for acceptance of provisional allotment of Rights Shares and certain financial and other information about the Group.

1. TERMS OF THE RIGHTS ISSUE AND THE BONUS SHARE ISSUE

Issue statistics:

Basis of Rights Issue	one Rights Share for every existing Share held on the Record Date
Existing issued share capital	303,030,000 Shares
Number of Rights Shares	303,030,000 Shares
Enlarged issued share capital upon completion of the Rights Issue	606,060,000 Shares
Subscription Price	HK$0.13 for each Rights Share
No. of Bonus Shares	303,030,000 Shares
Enlarged issued share capital upon completion of Bonus Share Issue	909,090,000 Shares

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue, which confer any right to subscribe for Shares.

Subscription Price

The subscription price is HK$0.13 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 75.47% to the closing price of HK$0.53 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 73.03% to the average closing price of approximately HK$0.482 per Share as quoted on the Stock Exchange for the five trading days ended on the Last Trading Day;

(iii) a discount of approximately 71.86% to the average closing price of approximately HK$0.462 per Share as quoted on the Stock Exchange for the ten trading days ended on the Last Trading Day;

(iv) a discount of approximately 40.91% to the theoretical ex-entitlements price (after taking into consideration of the Bonus Share Issue) of approximately HK$0.22 per Share based on the closing price of HK$0.53 per Share as quoted on the Stock Exchange on the Last Trading Day;

(v) a premium of approximately 30.00% to the net asset value per Share of HK$0.10 based on the audited consolidated net asset value of the Group as at 31 March 2007; and

(vi) a discount of approximately 74.00% to the closing price of HK$0.50 per Share as quoted on GEM on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors consider that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

For those Qualifying Shareholders participate in the Rights Issue, they would be entitled to 1 Rights Share and 1 Bonus Share for every Share they hold. Based on the total subscription monies under the Rights Issue and taking into account of the aggregate of the Rights Issue and the Bonus Share Issue, the theorectical subscription price of each Rights Share is approximately HK$0.065 which represents:

(i) a discount of approximately 87.74% to the closing price of HK$0.53 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 86.51% to the average closing price of approximately HK$0.482 per Share as quoted on the Stock Exchange for the five trading days ended on the Last Trading Day;

(iii) a discount of approximately 85.93% to the average closing price of approximately HK$0.462 per Share as quoted on the Stock Exchange for the ten trading days ended on the Last Trading Day;

(iv) a discount of approximately 70.45% to the theoretical ex-entitlements price (after taking into consideration of the Bonus Share Issue) of approximately HK$0.22 per Share based on the closing price of HK$0.53 per Share as quoted on the Stock Exchange on the Last Trading Day;

(v) a discount of approximately 35.00% to the net asset value per Share of HK$0.10 based on the audited consolidated net asset value of the Group as at 31 March 2007; and

(vi) a discount of approximately 87.00% to the closing price of HK$0.50 per Share as quoted on GEM on the Latest Practicable Date.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be a Qualifying Shareholder on the Record Date. Shareholders having an address in Hong Kong on the register of members of the Company at the close of business on the Record Date are qualified for the Rights Issue.

Shareholders having addresses outside Hong Kong on the register of members of the Company at the close of business on the Record Date are qualified for the Rights Issue only if the Board, after making relevant enquiry, considers that it would not be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to such Overseas Shareholders.

The Bonus Shares will only be allotted to the registered holders of the fully-paid Rights Shares, therefore, Bonus Share Issue will not be extended to Excluded Shareholders and only the Qualifying Shareholders will be qualified for the Bonus Share Issue.

Closure of register of members

The register of members of the Company has been closed from Tuesday, 31 July 2007 to Friday, 3 August 2007 (both days inclusive). No transfer of Shares were registered during this period.

Rights of Overseas Shareholders:

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

Based on the register of members of the Company, there are no Overseas Shareholders according to the register of members of the Company as at the Record Date. As such, there are no Excluded Shareholders for the purposes of the Rights Issue and Bonus Share Issue.

Basis of provisional allotment

The basis of the provisional allotment is one Rights Share in nil-paid form for every existing Share held by a Qualifying Shareholder at the close of business on the Record Date, being 303,030,000 Rights Shares at a price of HK$0.13 per Rights Share. Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being accepted.

Status of the Rights Shares and the Bonus Shares

The Rights Shares (when allotted and fully-paid) and the Bonus Shares (when issued and credited as fully paid) will rank pari passu in all respects with the then existing Shares in issue on the date of allotment and issue of fully paid Rights Shares and the Bonus Shares. Holders of such Shares will be entitled to receive all dividends and distributions which are declared, made or paid in respect thereof on or after the date of allotment and issue of such Shares.

Certificates for the Rights Shares and the Bonus Shares and refund

Subject to the fulfillment of the conditions of the Rights Issue and the Underwriter not having terminated the Underwriting Agreement as described in the section headed "Termination of the Underwriting Agreement" below, share certificates for all fully-paid Rights Shares and Bonus Shares are expected to be posted on or before Tuesday 28 August 2007 to those Qualifying Shareholders who have paid for and have accepted the Rights Shares, at their own risk.

Application for excess Rights Shares

Qualifying Shareholders may apply for any unsold entitlements of the Excluded Shareholders and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application can be made by completing the EAF and lodging the same with remittance for the excess Rights Shares. The Directors will allocate the excess Rights Shares at their discretion and on a fair and equitable basis and will give preference to topping up odd lots to whole board lots. Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to beneficial owners individually.

The latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares is 4:00 p.m. on Monday, 20 August 2007, or such later date as may be agreed between the Company and the Underwriter.

Listing and dealings of the Rights Shares and the Bonus Shares

The Company has applied to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms and the fully-paid Bonus Shares. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Bonus Shares on the Stock Exchange, the Rights Shares in their nil-paid and fully-paid forms and the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully paid forms and the

Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Nil-paid Rights Shares are expected to be traded in board lots of 4,000 (same as the current board lot size of the Shares as traded on the Stock Exchange). Dealings in the Rights Shares in their nil-paid and fully-paid forms and the Bonus Shares will be subject to the payment of stamp duty in Hong Kong and any other applicable fees and charges in Hong Kong.

2. UNDERWRITING AGREEMENT

Date:	23 May 2007
Underwriter:	Sun Hung Kai International Limited
Number of Rights Shares underwritten:	115,530,000 Rights Shares
Commission:	4.25% of the aggregate Subscription Price for the Underwritten Shares, which is expected to be approximately HK$0.64 million

Underwriting

Sun Hung Kai International Limited will act as the underwriter of the Rights Issue to subscribe, or procure subscribers for, the Underwritten Shares, being the total number of Rights Shares less those Rights Shares to be subscribed under the Undertakings. In the event that all the Rights Shares underwritten by the Underwriter are taken up by it, the Underwriter will become interested in 231,060,000 Shares, representing approximately 25.42% of the Shares in issue upon completion of the Rights Issue and the Bonus Share Issue.

To the best of the Directors' knowledge and information and having made all reasonable enquiries, the Underwriter and its holding company, Sun Hung Kai Co., Limited, a company listed on the Stock Exchange, are Independent Third Parties.

The Underwriter has confirmed that it would not sub-underwrite any of the Underwritten Shares to parties connected with the Company and its connected persons (as defined in the GEM Listing Rules.)

Commission

The Company will pay to the Underwriter an underwriting commission calculated at 4.25% of the aggregate Subscription Price for the Underwritten Shares, which is expected to be HK$0.64 million. The commission payable to the Underwriter was determined after arm's length negotiations between the Company and the Underwriter. The Directors consider that such amount may be higher than commission rate payable for underwriting of other rights issues transactions.

As referred to in the Circular, the Board noted that Grand Vinco Capital Limited, the independent financial adviser to the independent board committee formed for the purpose of advising the Independent Shareholders as to whether to vote for, inter alia, the Rights Issue and the Bonus Share Issue at the SGM, took the view that the underwriting commission charged by the Underwriter is much higher than the market practice and is not fair and reasonable to the Independent Shareholders and the Company as a whole. However, the Directors believe that the nature of gaming business has many inherent risks and it is fair and reasonable for the Underwriter to seek a higher return to cover its risks.

Undertakings from Shareholders

As at the Latest Practicable Date, Wide Fine International Limited is interested in 102,500,000 Shares representing approximately 33.83% of the existing issued share capital of the Company. Wide Fine International Limited is beneficially and wholly owned by Mr. Wong Kam Leong, an executive Director. Ms. Chen AnFeng and Mr. Sin Tim Iao, both connected persons to the Company, Mr. Lai Pak Leng, an Independent Third Party, and Mr. Lai Cho Wai, an executive Director of the Company, are interested in 25,000,000, 15,000,000, 23,000,000 and 22,000,000 Shares respectively representing approximately 8.25%, 4.95%, 7.59% and 7.26% of the existing issued share capital of the Company respectively.

Pursuant to the Undertakings, Mr. Wong Kam Leong, Ms. Chen AnFeng, Mr. Sin Tim Iao, Mr. Lai Pak Leng and Mr. Lai Cho Wai have undertaken to take up an aggregate of 187,500,000 Rights Shares which will be provisionally allotted to them under the Rights Issue.

Termination of the Underwriting Agreement

If any time prior to the Latest Time for Termination, which is 6:00 p.m. on the Settlement Date:

(a) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

  a. the introduction of any new law or regulation or any change in existing laws or regulation (or the judicial interpretation thereof) or any other similar event which in the absolute opinion of Underwriter has or is likely to have a material adverse effect on the business or financial condition or trading position or prospects of any member of the Group as a whole; or

  b. any change (whether or not permanent) in local, national or international economic, financial, political or military conditions or any event beyond the control of the parties hereto (including, without limitation, acts of government, strikes, explosion, flooding, civil commotion, acts of God or accident) which in the reasonable opinion of the Underwriter is or may be materially adverse in the context of the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or

c. any change (whether or not permanent) in local, national or international stock market conditions (including any moratorium, suspension of or material restriction on trading in securities generally) which in the reasonable opinion of the Underwriter would materially and adversely affect the Rights Issue or makes it inadvisable or inexpedient to proceed therewith; or

d. any change, or any development involving a prospective change, in taxation in Hong Kong, Bermuda or any other jurisdiction to which any member of the Group is subject or the implementation of any exchange controls which in the reasonable opinion of the Underwriter would or might materially and adversely affect any member of the Group or its present or prospective shareholders in their capacity as such; or

e. any change to the system pursuant to which the value of the currency of Hong Kong is linked to the currency of the United States of America and which would or may materially and adversely affect the Rights Issue; or

(b) there comes to the notice of the Underwriter any matter or event showing any of the representations or warranties given by the Company under the Underwriting Agreement to be untrue or inaccurate in any material respect which in the reasonable opinion of the Underwriter is adverse in the context of the Rights Issue; or

(c) the Company and/or any of the Undertaking Shareholders is in breach of any of its or his or their respective obligations under the Underwriting Agreement or the Undertakings (as the case may be) which in the reasonable opinion of the Underwriter is material and adverse in the context of the Rights Issue;

the Underwriter shall be entitled to terminate the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue and hence, the Bonus Share Issue will not proceed.

3. CONDITIONS OF THE RIGHTS ISSUE AND BONUS SHARE ISSUE

The Rights Issue is conditional upon, among other things,

(i) the approval of the Rights Issue and the Bonus Share Issue by the Shareholders (other than those prohibited from voting by the Listing Rules) at the SGM in accordance with the GEM Listing Rules;

(ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms;

(iii) the filing and registration of all relevant documents relating to the Rights Issue and the Bonus Share Issue which are required by law to be filed or registered with the Registrars of Companies in Hong Kong and Bermuda;

(iv) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;

(v) the Undertaking Shareholders taking up and paying for the Rights Shares pursuant to the undertakings they have given; and

(vi) the Bonus Share Issue becomes unconditional (save for any condition requiring the Rights Issue to become unconditional).

As at the Latest Practicable Date, condition (i) has been fulfilled.

These conditions are not waivable by any of the parties. If any of the above conditions are not fulfilled by on or before the Latest Time for Termination (or such later date and time as the Underwriter and the Company may agree in writing), or the Underwriting Agreement has been terminated in accordance with the terms thereof, the Rights Issue will not proceed.

The Bonus Share Issue is conditional on, amongst other things,

(i) the approval of the Rights Issue and the Bonus Share Issue by the Shareholders (other than those prohibited from voting by the Listing Rules) at the SGM in accordance with the GEM Listing Rules;

(ii) the Rights Issue becoming unconditional (save as any condition requiring the Bonus Share Issue to become unconditional) and the Underwriting Agreement not being terminated by the Underwriter;

(iii) the Listing Committee of the Stock Exchange granting the listing and permission to deal in the Bonus Shares; and

(iv) the Amendment of the Bye-laws becoming effective.

The Rights Issue and the Bonus Share Issue are inter-conditional to each other.

As at the Latest Practicable Date, conditions (i) and (iv) have been fulfilled.

4. WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

Existing Shares were dealt in on an ex-entitlements basis from Friday, 27 July 2007. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 8 August 2007 to Wednesday, 15 August 2007 (both days inclusive). If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid forms from Wednesday, 8 August 2007 to Wednesday, 15 August 2007 who is in any doubt about his/her position is recommended to consult his/her professional adviser.

Any Shareholders or other persons contemplating selling or purchasing Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled (which is expected to be Thursday, 23 August 2007) will accordingly bear the risk that the Rights Issue could not become unconditional and may not proceed.

5. SHAREHOLDING STRUCTURE

	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue and Bonus Share Issue assuming all Qualifying Shareholders fully take up their respective entitlement		Immediately upon completion of the Rights Issue and Bonus Share Issue assuming all Qualifying Shareholders (except Wide Fine International Limited, Chen Anfeng, Sin Tim Iao, Lai Pak Leng and Lai Cho Wai) do not take up their respective entitlement	
	Shares	*%*	*Shares*	*%*	*Shares*	*%*
Undertaking Shareholders:						
Wide Fine International Limited *(Note 1)*	102,500,000	33.83	307,500,000	33.83	307,500,000	33.83
Chen Anfeng *(Note 2)*	25,000,000	8.25	75,000,000	8.25	75,000,000	8.25
Sin Tim Iao *(Note 2)*	15,000,000	4.95	45,000,000	4.95	45,000,000	4.95
Lai Cho Wai *(Note 3)*	22,000,000	7.26	66,000,000	7.26	66,000,000	7.26
Lai Pak Leng *(Note 4)*	23,000,000	7.59	69,000,000	7.59	69,000,000	7.59
Other Shareholders:						
The Underwriter *(Note 5)*	–	–	–	–	231,060,000	25.41
Other public shareholders	115,530,000	38.12	346,590,000	38.12	115,530,000	12.71
Total	303,030,000	100.00	909,090,000	100.00	909,090,000	100.00
Public Float *(Note 6)*	138,530,000	45.71	415,590,000	45.71	184,530,000	20.30

Notes:

1. Wide Fine International Limited is wholly owned by Mr. Wong Kam Leong, an executive Director of the Company, the controlling shareholder of the Company.

2. connected persons to the Company.

3. an executive Director of the Company.

4. a niece of a Director, therefore, for the purpose of calculation of public float, an Independent Third Party.

5. to the best of the Directors' knowledge and information and having made all reasonable enquiries, the Underwriter and its holding company, Sun Hung Kai Co., Limited, a company listed on the Stock Exchange, are not connected persons (as defined in the Listing Rules) of the Company and are Independent Third Parties.

6. the minimum prescribed percentage of securities to be in public hands for the Company is 20%. The public float is calculated by the aggregate of the shareholding of Mr. Lai Pak Leng and the other public Shareholders. The shareholding to be held by the Underwriter is not included in the calculation of the public float because it might become a substantial shareholder if it does not sub-underwrite any of the Underwritten Shares.

6. PUBLIC FLOAT

As shown under the section headed "the Shareholding Structure" above, immediately upon completion of the Rights Issue and Bonus Share Issue assuming none of the Qualifying Shareholders (save for Wide Fine International Limited, Chen Anfeng, Sin Tim Iao, Lai Pak Leng and Lai Cho Wai) takes up any Rights Share and all the Rights Shares are taken up by the Underwriter pursuant to the Underwriting Agreement, there will be a sufficient public float of approximately 20.3%. It is the intention of the Company to maintain the listing of the Shares on the Stock Exchange after the completion of the Rights Issue.

However, the Stock Exchange has stated that if, upon completion of the Rights Issue and the Bonus Share Issue, less than 20% of the Shares are held by the public or if the Stock Exchange believes that:

(i) a false market exists or may exist in the trading in the Shares; or

(ii) there are too few Shares in public hands to maintain an orderly market;

then it will consider exercising its discretion to suspend trading in the Shares until a sufficient public float is attained.

7. REASONS FOR THE RIGHTS ISSUE, BONUS SHARE ISSUE AND USE OF PROCEEDS

The Company is an investment holding company. Its subsidiaries are principally engaged in the leasing of software licences, trading of hardware equipment, provision of marketing consultancy services, and marketing service in Macau.

Given the recent improved equity market conditions, the Board considers that it is in the interest of the Company to raise equity capital to (i) strengthen the Group's financial position; and (ii) enlarge its capital base, on the terms set out herein which the Board considers fair and reasonable to the Shareholders. Though the Directors are of the view that sufficient funds are available to the Group, the proceeds from Rights Issue will enable the Group to pay the Revised Consideration (as defined in the Circular) and further strengthen the Group's financial position.

The net proceeds of approximately HK$36 million raised from the Rights Issue (after deducting expenses including underwriting commission, professional fees, printing charges and sundry expenses) are expected to be used as to (i) approximately HK$30 million for payment of the Revised Consideration; and (ii) the balance of approximately HK$6 million for general working capital purpose.

In order to recognize the contribution from the Shareholders who subscribe for the Rights Shares and as an incentive to encourage the Shareholders to participate in the Rights Issue, the Bonus Shares will be issued to the registered holders of the fully-paid Rights Shares on the basis of one Bonus Share for every Rights Share issued under the Rights Issue.

8. FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE LATEST PRACTICABLE DATE

No fund raising activities have been carried out by the Company during the past 12 months immediately preceding the Latest Practicable Date.

9. PROCEDURE FOR ACCEPTANCE OR TRANSFER

A PAL is enclosed with this prospectus which entitles you to subscribe for the number of Rights Shares indicated on the PAL. If you wish to exercise your right to subscribe for all the Rights Shares specified in the enclosed PAL, you must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance of the number of Rights Shares provisionally allotted to you, with the Registrar at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Monday, 20 August 2007. All remittances must be made in Hong Kong dollars and cheques or cashier's orders must be drawn on a bank account in Hong Kong and made payable to "Long Success International (Holdings) Limited – Rights Issue Account" and crossed "Account Payee Only".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Monday, 20 August 2007, whether by the original allottee or any person in whose favour the rights have been transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If you wish to accept only part of your provisional allotment or transfer a part of your rights to subscribe for the Rights Shares provisionally allotted under the PAL or to transfer all of your rights, the entire PAL must be surrendered by not later than 4:30 p.m. on Friday, 10 August 2007 to the Registrar who will cancel the original PAL and issue a new PAL in the denominations required. The PALs contain full information regarding the procedures to be followed if you wish to accept only part of your provisional allotment or if you wish to transfer all or part of your provisional allotment.

All cheques and cashier's orders will be presented for payment following receipt and any interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which a cheque or cashier's order is dishonoured on first presentation are liable to be rejected and in that event the provisional allotment of Rights Shares and all rights thereunder will be deemed to have been declined and will be cancelled. If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement on or before 6:00 p.m. on the Settlement Date, the monies received in respect of the relevant provisional allotment of Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by the ordinary post at the risk of the relevant applicants on or before Tuesday, 28 August 2007.

Applications for excess Rights Shares

Qualifying Shareholders may apply for any Rights Shares provisionally allotted but not accepted. Application for excess Rights Shares can be made only by completing the EAF. The Directors will allocate the excess Rights Shares on a fair and reasonable basis, but will give preference to topping-up odd lots to whole board lots.

If you wish to apply for any Rights Shares in addition to your provisional allotment, you must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Monday, 20 August 2007. All remittances must be made in Hong Kong dollars and cheques or cashier's orders must be drawn on a bank account in Hong Kong and made payable to "Long Success International (Holdings) Limited – Excess Application Account" and crossed "Account Payee Only". The Registrar will notify you of any allotment of excess Rights Shares made to you.

If no excess Rights Shares are allotted to you, the amount tendered on application is expected to be refunded in full on or before Tuesday, 28 August 2007. If the number of excess Rights Shares allotted to you is less than that applied for, the surplus application monies are also expected to be refunded to you on or before Tuesday, 28 August 2007. If the Underwriters exercise the right to terminate their obligations under the Underwriting Agreement prior to 6:00 p.m. on the Settlement Date, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques to be despatched by the ordinary post at the risk of the relevant applicants on or before Tuesday, 28 August 2007.

All cheques and cashier's orders will be presented for payment following receipt and any interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier's order is dishonored on first presentation is liable to be rejected.

The EAF is for use only by the person(s) named in it and is not transferable. All documents, including cheques or cashier's orders for refund, will be sent by ordinary post at the risk of the person entitled thereto to their registered addresses by no later than Tuesday, 28 August 2007.

10. SHARE CERTIFICATES

It is expected that certificates for the fully-paid Rights Shares and the Bonus Shares will be posted to those entitled thereto at their own risk by the Registrar on or before Tuesday, 28 August 2007.

11. GENERAL

Your attention is drawn to the additional information set out in Appendix I to III to this prospectus.

By Order of the Board
Wong Kam Leong
Chairman

Registered office	Canon Court 22 Victoria Street Hamilton HK12 Bermuda
Head office and principal place of business	1309, West Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Company secretary and qualified accountant	Hui Yat Lam *Associate member of the Hong Kong Institute of Certified Public Accountants* *Fellow member of Association of Chartered Certified Accountants*
Compliance Officer	Wong Kam Leong *Chairman of the Company*
Authorized representatives	Wong Kam Leong Hui Yat Lam
Auditors and Reporting Accountants	GC Alliance Limited Certified Public Accountants Suites 2406-7, 24/F Man Yee Building 68 Des Voeux Road Central Hong Kong
Principal share registrar in Bermuda	Reid Management Limited Argyle House, 41A Cedar Avenue Hamilton HM12, Bermuda
Branch share registrar in Hong Kong	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F, Hopewell Centre 183 Queen's Road East, Hong Kong
Principal banker	Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong

Legal advisers to the Company	*As to Hong Kong law:* David Lo & Partners Suite 2502 9 Queen's Road Central Central, Hong Kong *As to Bermuda law:* Appleby 5511, The Center 99 Queen's Road Central Central, Hong Kong

Executive Directors

Mr. Wong Kam Leong

Mr. Wong Kam Leong, aged 43, is the chairman of the Company. Mr. Wong he has been the chairman and legal representative of a PRC electric appliance company, Zhongshan Weili Electronics Appliances Group Limited (中山威力電器集團有限公司). He has over 10 years experience in sales and marketing and property trading and development in the Mainland China. Mr. Wong is responsible for the overall strategic planning, direction and business development of the Company. Mr. Wong Kam Leong is the controlling shareholder of the Company and his business address is Alameda Dr. Carlos D'assumpcao No. 181-187 Fl 10 Flg "A" Ed. Kong Fai Commercial Centre, Macau.

Mr Lai Cho Wai

Mr Lai Cho Wai, aged 38 is the executive director of the Company. Mr. Lai is the executive manager of the JADE VIP Lounge in the Jai Alai Casino in Macau since 1996. Mr Lai is also the director of Macau Street E-Tech & Advertising Limited and the director of Rock & Roll Amusement Development Incorporation Limited since 2000. He has vast experience in the gaming industry, in particular, in relation to the management of VIP lounges in casinos, formulating policies of VIP lounges and analysing monthly business statements of VIP lounges. Mr Lai's business address is Alameda Dr. Carlos D'assumpcao No. 181-187 Fl 10 Flg "A" Ed. Kong Fai Commercial Centre, Macau.

Mr. Ma Chon

Mr. Ma Chon, aged 49, has been appointed as an executive director of the Company since 28 November 2005. Mr. Ma was also the marketing manager of the LEROY VIP Lounge in the Lisboa Casino in Macau. He has vast experience in the gaming industry in Macau, in particular, in relation to the management of VIP lounges in casinos, formulating marketing policies of VIP lounges. Mr. Ma's business address is Alameda Dr. Carlos D'assumpcao No. 181-187 Fl 10 Flg "A" Ed. Kong Fai Commercial Centre, Macau.

Non-executive Directors

Mr. Ng Kwok Chu, Winfield

An independent non-executive Director and a member of audit committee of the Company, aged 48, Mr. Ng was appointed by the Company on 3 January 2006. Mr. Ng was the general manager of a reputable financial institution. Mr. Ng has over 10 years consumer and commercial finance experiences and has in depth knowledge in cross-border market and financing operation. Mr. Ng's business address is Room 1302-03, 13/F, Connaught Commercial Building, 185 Wanchai Road, Wanchai, Hong Kong.

Mr. Ng does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company for the purpose of the GEM Listing Rule. He has no interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ng did not hold any directorship in any listed company in the past three years before the date of this prospectus. There is no service contract and no fixed term of appointment between the Company and Mr. Ng. He is entitled to an annual emolument of HK$50,000 as an independent non-executive Director which is based on the Director's experience, responsibility, workload and time devoted to the Company and its subsidiaries. Mr. Ng is subject to retirement by rotation and re-election pursuant to the byelaws of the Company.

Mr. Ng Chau Tung, Robert

An independent non-executive Director and a member of audit committee of the Company, aged 51, Mr. Ng was appointed by the Company on 3 January 2006. Mr. Ng holds a Bachelor of Business Administration from The Chinese University of Hong Kong. He is also the member of the Institute of Financial Accountant (U.K.) and the Registered Financial Planner. Mr. Ng has over 20 years experience in the banking sector. He was also the chairman of the Hong Kong Equipment Leasing Association, and an independent non- executive committee member of the Finance House Association and the Hong Kong Deposit Taking Company Association. Mr. Ng's business address is 19/F, On Hong Commercial Building, 145 Hennessy Road, Wanchai, Hong Kong.

Mr. Ng does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company for the purpose of the GEM Listing Rule. He has no interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ng did not hold any directorship in any listed company in the past three years before the date of this prospectus. There is no service contract and no fixed term of appointment between the Company and Mr. Ng. He is entitled to an annual emolument of HK$50,000 after being appointed as an independent non-executive Director which is based on the Director's experience, responsibility, workload and time devoted to the Company and its subsidiaries. Mr. Ng is subject to retirement by rotation and re-election pursuant to the byelaws of the Company.

Mr. Ieong Meng Wa

An independent non-executive Director and a member of audit committee of the Company, aged 47, Mr. Ieong was appointed by the Company on 7 April 2006. Mr. Ieong is a director of a number of private property trading and development companies. He has vast experience in sales and marketing and property trading and development in Macau and Mainland China. Mr. Ieong's business address is Rua Pedro Coutino, 31, Fl 07, Ed. Kou Nga Gdn, Macau.

Mr. Ieong does not have any relationships with any directors, senior management, management shareholders or substantial or controlling shareholders of the Company for the purpose of the GEM Listing Rule. He has no interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ieong did not hold any directorship in any listed company in the past three years before the date of this prospectus. There is no service contract and no fixed term of appointment between the Company and Mr. Ieong. He is entitled to an annual emolument of HK$50,000 as an independent non-executive Director of the Company which is based on the Director's experience, responsibility, workload and time devoted to the Company and its subsidiaries. Mr. Ieong is subject to retirement by rotation and re-election pursuant to the byelaws of the Company.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following table summarises the results, assets, liabilities and minority interests of the Group for the last three financial years, as extracted from the published audited financial statements of the Group for the three years ended 31 March 2007. The Company's auditors have not issued any qualified opinion on the Group's financial statements for the three preceding financial years.

Three-year Financial Summary
For the year ended 31 March 2007

RESULTS

	For the year ended 31 March		
	2007	**2006**	**2005**
	HK$'000	*HK$'000*	*HK$'000*
Turnover	35,432	47,498	24,160
(Loss)/Profit attributable to shareholder	(4,262)	2,849	(2,414)

ASSETS AND LIABILITIES

	As at 31 March		
	2007	**2006**	**2005**
	HK$'000	*HK$'000*	*HK$'000*
Total assets	74,305	16,522	13,088
Total liabilities	(44,646)	(11,084)	(13,044)
Minority interests	(1,730)	–	–
Net assets	27,929	5,438	44

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2007

Consolidated Income Statement
For the year ended 31 March 2007

	Note	2007 HK$'000	2006 HK$'000
CONTINUING OPERATIONS			
REVENUE	6	23,735	24,720
Other income	6	1,127	330
Raw materials and consumables used		(3,240)	(8,040)
Staff costs		(13,724)	(13,407)
Depreciation of property, plant and equipment		(211)	(276)
Amortisation and impairment loss on intangible assets		–	(578)
Impairment loss on available-for-sale financial assets		–	(330)
Impairment loss on trade receivable		(945)	(884)
Other expenses		(5,462)	(4,447)
Finance costs	7	(21)	(347)
Profit/(Loss) before tax		1,259	(3,259)
Income tax expense	8	–	–
Profit/(Loss) for the year from continuing operations		1,259	(3,259)
DISCONTINUED OPERATION			
(Loss)/Profit for the year from discontinued operation	9	(5,521)	6,108
(Loss)/Profit for the year	10	(4,262)	2,849
Attributable to:			
Equity holders of the parent		(5,992)	2,849
Minority interests		1,730	–
		(4,262)	2,849
(LOSS)/EARNINGS PER SHARE	13		
For continuing and discontinued operations			
Basic (HK cents per share)		(2.25)	1.13
Diluted (HK cents per share)		N/A	N/A
For continuing operations			
Basic (HK cents per share)		(0.18)	(1.30)
Diluted (HK cents per share)		N/A	N/A

Balance Sheets
As at 31 March 2007

		Group		Company	
		2007	**2006**	**2007**	**2006**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Intangible assets	16	–	–	–	–
Goodwill	17	63,376	–	–	–
Property, plant and equipment	18	424	410	–	–
Interests in subsidiaries	19	–	–	61,255	12,577
Available-for-sale financial assets	20	–	–	–	–
		63,800	410	61,255	12,577
Current assets					
Trade receivables	21	8,523	7,796	–	–
Prepayments, deposits and other receivables		712	1,431	–	–
Fixed deposits		–	1,300	–	–
Cash and bank balances		1,277	5,585	–	75
		10,512	16,112	–	75
Current liabilities					
Trade payables	22	868	2,425	–	–
Accruals and other payables		4,294	4,039	2,155	843
Deferred consideration for acquisition	23	21,577	–	21,577	–
Receipts in advance		2,230	2,083	–	–
Current portion of bank loans	24	–	229	–	–
Current portion of obligations under finance leases	25	144	108	–	–
Amount due to ultimate holding company	26	1,407	1,313	265	265
Provision for taxation		833	833	–	–
		31,353	11,030	23,997	1,108
Net current (liabilities)/assets		(20,841)	5,082	(23,997)	(1,033)
Total assets less current liabilities		42,959	5,492	37,258	11,544
Non-current liabilities					
Deferred consideration for acquisition	23	13,300	–	13,300	–
Obligations under finance leases	25	–	54	–	–
		13,300	54	13,300	–
NET ASSETS		29,659	5,438	23,958	11,544
Capital and reserves					
Share capital	27	30,303	25,303	30,303	25,303
Reserves	29	(2,374)	(19,865)	(6,345)	(13,759)
Equity attributable to equity holders of the parent		27,929	5,438	23,958	11,544
Minority interests		1,730	–	–	–
TOTAL EQUITY		29,659	5,438	23,958	11,544

Consolidated Statement of Changes in Equity

For the year ended 31 March 2007

	Attributable to equity holders of the parent							
	Share capital	Share premium	Merger reserve	Exchange reserve	Accumulated losses	Total	Minority interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2005	25,006	5,613	(341)	(59)	(30,175)	44	–	44
Exchange differences arising on translation of foreign operations	–	–	–	(9)	–	(9)	–	(9)
Loss recognised directly in equity	–	–	–	(9)	–	(9)	–	(9)
Profit for the year	–	–	–	–	2,849	2,849	–	2,849
Total recognised income and expenses	–	–	–	(9)	2,849	2,840	–	2,840
Issue of shares exercise of share options *(Note 28)*	297	2,257	–	–	–	2,554	–	2,554
At 31 March 2006 and 1 April 2006	25,303	7,870	(341)	(68)	(27,326)	5,438	–	5,438
Exchange differences arising on translation of foreign operations	–	–	–	(17)	–	(17)	–	(17)
Loss recognised directly in equity	–	–	–	(17)	–	(17)	–	(17)
Loss for the year	–	–	–	–	(5,992)	(5,992)	1,730	(4,262)
Total recognised income and expenses	–	–	–	(17)	(5,992)	(6,009)	1,730	(4,279)
Issue of shares	5,000	23,500	–	–	–	28,500	–	28,500
At 31 March 2007	30,303	31,370	(341)	(85)	(33,318)	27,929	1,730	29,659

Consolidated Cash Flow Statement
For the year ended 31 March 2007

	2007	2006
	HK$'000	*HK$'000*
Operating activities		
(Loss)/Profit for the year	(4,262)	2,849
Adjustments for:		
Income tax expense	–	833
Finance costs	21	347
Depreciation of property, plant and equipments	219	284
Amortisation of intangible assets	–	217
Impairment loss on intangible assets	–	361
Impairment loss on available for sale financial assets	–	330
Interest income	(16)	(153)
Operating cash flows before working capital changes	(4,038)	5,068
Decrease in inventories	–	99
Increase in trade receivables, prepayments, deposits and other receivables	(7)	(4,599)
(Increase)/Decrease in trade payables, accruals, other payables and receipts in advance	(1,155)	2,435
Increase in amount due to ultimate holding company	–	1,313
Cash (used in)/generated from operations	(5,200)	4,316
Interest paid	(21)	(347)
Interest received	16	153
Net cash (used in)/generated from operating activities	(5,205)	4,122
Investing activities		
Purchase of property, plant and equipment	(112)	(305)
Net cash used in investing activities	(112)	(305)
Financing activities		
Inception of finance lease	–	216
Repayment of obligations under finance leases	(139)	(54)
Repayment of bank loans	(229)	(519)
Repayment to a director	–	(358)
Advance from ultimate holding company	94	–
Proceeds from issue of shares	–	2,554
Net cash (used in)/generated from financing activities	(274)	1,839
Net (decrease)/increase in cash and cash equivalents	(5,591)	5,656
Cash and cash equivalents at the beginning of the year	6,885	1,238
Effect of foreign exchange rate changes	(17)	(9)
Cash and cash equivalents at the end of the year	1,277	6,885
Analysis of balances of cash and cash equivalents		
Cash and bank balances	1,277	5,585
Fixed deposits	–	1,300
	1,277	6,885

Notes to the Financial Statements

31 March 2007

1. CORPORATE INFORMATION

The Company is an exempted company incorporated in Bermuda with limited liability and its shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office and principal place of business are respectively Canon's Court, 22 Victoria Street Hamilton HM 12, Bermuda and Room 1309, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

The Company is an investment holding company. During the year, its subsidiaries were principally engaged in sales of computer software and hardware, provision of related technical support and maintenance services, provision of marketing services and sharing of profits relating to gaming activities in Macau.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), generally accepted accounting principles in Hong Kong and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

These financial statements have been prepared under the historical cost convention except for available-for-sale financial assets which are measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise stated.

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business. As at 31 March 2007, the Group had net current liabilities of approximately $20,841,000 and incurred a loss attributable to the equity holders of the parent of approximately HK$5,992,000 for the year ended 31 March 2007. These conditions indicate that the Group may need additional financing to meet cash requirements for its operations to continue as a going concern.

As described in note 34, subsequent to the balance sheet date, the Company proposed to raise approximately HK$36 million net of estimated expenses by way of rights issue of one rights share for every existing share at a subscription price of HK$0.13 per rights share. The proposed rights issue is fully underwritten by Sun Hung Kai International Limited pursuant to the terms and conditions of the underwriting agreement dated 23 May 2007. The directors of the Company are of the opinion that actions presently being taken to obtain additional funding will enable the Group to have sufficient working capital for its current requirement. The directors further believe that the current loss-making situation is temporary and the Group will turn around in the near future. Therefore, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the recorded amounts of assets to their recoverable amounts, to provide for further liabilities that might arise, and to reclassify non-current assets and liabilities as current assets and liabilities. The effects of these potential adjustments have not been reflected in these financial statements.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries (collectively the "Group") made up to 31 March. The results of the subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. All significant intercompany transactions and balances and any unrealised profits arising from intercompany transactions within the Group are eliminated on consolidation.

3. ADOPTION OF NEW AND REVISED HKFRSs

In the current year, the Group has adopted a number of new HKFRSs, amendments to Hong Kong Accounting Standards ("HKASs") and Interpretations ("Ints") (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are relevant to its operations and effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006. The adoption of these new HKFRSs did not result in substantial changes to the Group's accounting polices and amounts reported for the current year and prior years.

The Group has not early adopted the following new HKFRSs, that have been issued but are not yet effective:

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Capital Disclosures	1 January 2007
HKFRS 7	Financial Instruments: Disclosures	1 January 2007
HKFRS 8	Operating Segments	1 January 2009
HK(IFRIC) – Int 8	Scope of HKFRS 2	1 May 2006
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives	1 June 2006
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment	1 November 2006
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions	1 March 2007
HK(IFRIC) – Int 12	Service Concession Arrangements	1 January 2008

The directors of the Company anticipate that the application of the above new HKFRSs will have no material impact on the results and financial position of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies adopted by the Group is set out below:

(a) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(b) Goodwill

Goodwill arising on acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary or jointly controlled entity at the date of acquisition. Goodwill is carried at cost less any accumulated impairment losses.

Goodwill is tested annually for impairment and is allocated to cash-generating units for the purposes of impairment testing.

Gain or loss on disposal of an entity include the carrying value of goodwill relating to the entity sold.

(c) Subsidiaries and minority interests

A subsidiary is a company in which the Company, directly or indirectly, controls more than half of its voting power or issued share capital or controls the composition of its board of directors. Subsidiaries are considered to be controlled if the Company has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interest which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority interests exceed the minority's interest in the equity of a subsidiary, the excess, and any future losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and, where it is probable that the economic benefits will flow to the Group and the revenue and costs incurred or to be incurred in respect of the transaction can be measured reliably, is recognised as follows:

(i) Sales of goods are recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

(ii) Service income is recognised when services are provided.

(iii) Revenue from sharing of profits is recognised when the right to receive profit is established.

(iv) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

(v) Dividend income from securities and other investments is recognised when the right to receive payment is established.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvement	50% or over the lease term whichever is shorter
Furniture and fixtures	25%
Computer equipment	25 – $33^1/_3$%
Motor vehicles	25%

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Improvements are capitalised and depreciated over their expected useful lives to the Group.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

(f) Intangible assets

(i) Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of 3 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(ii) Software

The cost of acquisition of software is capitalised and treated as an intangible asset if the cost is not an integral part of the related hardware. Software is amortised on a straight-line basis over the remaining estimated useful life or 3 years whichever is shorter.

(g) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, and are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash-generating units).

(h) Financial assets

The Group classifies its financial assets into loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised or derecognised on a trade date basis. Regular way purchases or sales are purchases and sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, bank deposits and balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Gains or losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available for sale or are not classified as any of the other categories of financial assets. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in the income statement.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses.

(i) Financial liabilities

(i) Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in income statement over the period of the borrowing using the effective interest method.

(ii) Trade and other payables

Trade and other payables (including amounts due to related parties) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and which have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(k) Leases

Leases of assets are classified as finance leases when the leases transfer substantially all risks and rewards incidental to ownership of the assets to the Group. All other leases are classified as operating leases.

(i) Finance leases

Assets held under finance leases are recognised in the balance sheet at amounts equal to the fair value of the leased assets, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities, net of finance charges, on the finance leases are recorded as obligations under finance leases. All assets held under finance leases are classified as property, plant and equipments, except for those properties held to earn rental income which are classified as investment property, in the balance sheet.

Depreciation and impairment loss are calculated and recognised in the same manner as the depreciation and impairment loss on property, plant and equipments as set out in note 4(E) and 4(G) respectively, except that the estimated useful lives cannot exceed the relevant lease terms, if shorter.

Minimum lease payments are apportioned between finance charge and the reduction of the outstanding liabilities. The finance charge is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating leases

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. The payments made on acquiring land held under an operating lease are recognised in the balance sheet as lease premium for land.

Contingent rents are charged as an expense in the periods in which they are incurred.

(l) Income tax

Income tax for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in reserves, in which case they are recognised in reserves.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred taxation liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carryforward of unused tax assets and unused tax losses can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

(m) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(n) Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to profit or loss. Non-monetary items that are measured in the terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their income statements are translated into Hong Kong dollars at the average exchange rate for the year. The resulting exchange differences are included in the exchange reserve within equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

For the purposes of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated to Hong Kong dollars at the weighted average exchange rates for the year.

(o) Employee benefits

Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Provision is made in respect of paid leave entitlement accumulated during the year, which can be carried forward into future periods for compensated absence or payment in lieu if the employee leaves employment.

The Group operates a number of defined contribution retirement plans, the assets of which are held in separate trustees administered funds. The Group's contributions to the defined contribution retirement plans are expensed when the employees have rendered services entitling them to the contributions.

(p) Borrowing costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

Borrowing costs are expensed as incurred, except when they are directly attributable to the acquisition, construction or production of assets that necessarily takes a substantial period of time to get ready for their intended use in which case they are capitalised as part of the cost of that asset. Capitalisation of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and the activities to prepare the asset for its intended use are in progress. Borrowing costs are capitalised at the weighted average cost of the related borrowings until the asset is ready for its intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. All other borrowing cost are charged to the income statement in the year in which they are incurred.

(q) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or vice versa, or where the parties are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or corporate entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related of the Group.

(r) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the review and future periods in the revision affects both current and future periods.

Critical judgments in applying accounting policies

Deferred consideration for acquisition

As described in notes 23 and 31, the Group acquired Right Gateway on deferred payment terms contingent on the future profits achieved by Right Gateway through Right Idea. On acquisition date, estimates are made of the expected future revenue and profit based on forecasts made by management. These estimates are re-assessed at each reporting date and adjustments are made to the deferred consideration and related goodwill balances, where necessary. Amounts of deferred consideration payable after one year are discounted using discount rates that reflect the current market assessment of the time value of money and, where appropriate, the risks specific to the acquired business.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The carrying amount of the goodwill at 31 March 2007 was HK$63,376,000 (2006: nil). More details are given in note 17.

(ii) Impairment of trade receivable

The policy for impairment assessment for trade receivable of the Group is based on the evaluation of collectability and an aging analysis of trade receivables and on the judgment of the management. A considerable amount of judgment is required in assessing the ultimate realisation of these receivable, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group deteriorate, resulting in an impairment of their ability to make payments, additional provision may be required.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the Group's turnover and comprised:

	2007 *HK$'000*	2006 *HK$'000*
REVENUE		
Continuing operations		
Sales of customised software and related computer equipment	14,919	17,828
Sales and lease of packaged software	–	977
Technical support and maintenance service income	3,051	5,915
Profits assigned from a junket representative of a VIP lounge of a casino in Macau	5,765	–
	23,735	24,720
Discontinued operation		
Income from marketing, rolling and settlement services for a VIP lounge of a casino in Macau *(Note 9)*	11,697	22,778
	35,432	47,498
OTHER INCOME – continuing operations		
Interest income	16	153
Sundry income	99	115
Write-back of provision for impairment of trade receivable	945	–
Government grant	–	30
Other service income	67	32
	1,127	330

Primary reporting format – business segments

The Group is organised into the following major business segments:

(i) Sales of customised software and related computer equipment;

(ii) Provision of technical support and maintenance services;

(iii) Marketing, rolling and settlement services for gaming activities in Macau; and

(iv) Sharing of profits of a junket representative of a VIP lounge of a casino in Macau.

During the year, the segment for the sales and lease of packaged software was inactive and did not generate any revenue or income.

There are no sales or other transactions between the business segments.

	2007					
	Continuing operations				Discontinued operation	
	Customised software and related computer equipment	Technical support and maintenance	Sharing of profits of a Macau casino junket representative	Total	Marketing service for gaming activities in Macau	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	14,919	3,051	5,765	23,735	11,697	35,432
Segment results	(342)	192	5,765	5,615	(5,521)	94
Interest and unallocated income						1,127
Unallocated corporate expenses						(5,462)
Finance costs						(21)
Loss before tax						(4,262)
Income tax expense						–
Loss for the year						(4,262)
Segment assets	4,175	854	69,283	74,312	–	74,312
Segment liabilities	4,957	885	37,978	43,820	833	44,653
Other information						
Depreciation and amortisation	178	33	–	211	8	219
Capital expenditure	188	45	–	233	–	233

	2006					
	Continuing operations				Discontinued operation	
	Customised software and related computer equipment	Packaged software	Technical support and maintenance	Total	Marketing service for gaming activities in Macau	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	17,828	977	5,915	24,720	22,778	47,498
Segment results	1,728	466	1,865	4,059	6,941	11,000
Interest and unallocated income						330
Unallocated corporate expenses						(7,301)
Finance costs						(347)
Profit before tax						3,682
Income tax expense						(833)
Profit for the year						2,849
Segment assets	8,016	439	2,660	11,115	5,407	16,522
Segment liabilities	6,263	343	2,079	8,685	2,399	11,084
Other information						
Depreciation and amortisation	356	20	117	493	8	501
Impairment losses on intangible assets	261	14	86	361	–	361
Unallocated impairment loss on available-for-sale financial assets	–	–	–	–	–	330
Capital expenditure	197	11	66	274	31	305

Secondary reporting format – Geographical segments

The Group mainly operates in Hong Kong, Macau and the People's Republic of China (excluding Hong Kong and Macau) ("PRC"). In presenting information on the basis of geographical segments, segment revenue is analysed based on the geographical location of customers whereas segment assets and capital expenditures are based on geographical location of the assets.

	Revenue from external customers					
	Continuing operations		**Discontinued operation**		**Consolidated**	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	16,243	24,720	–	–	16,243	24,720
Macau	5,765	–	11,697	22,778	17,462	22,778
PRC	1,727	–	–	–	1,727	–
	23,735	24,720	11,697	22,778	35,432	47,498

	Segment assets					
	Continuing operations		**Discontinued operation**		**Consolidated**	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	4,175	10,810	–	–	4,175	10,810
Macau	69,283	–	–	5,407	69,283	5,407
PRC	854	305	–	–	854	305
	74,312	11,115	–	5,407	74,312	16,522

	Capital expenditure					
	Continuing operations		**Discontinued operation**		**Consolidated**	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	226	305	–	–	226	305
Macau	–	–	–	–	–	–
PRC	7	–	–	–	7	–
	233	305	–	–	233	305

7. FINANCE COSTS

	2007	**2006**
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank loans and overdrafts wholly repayable with five years	14	341
Interest element of finance leases	7	6
	21	347

8. INCOME TAX EXPENSE

Hong Kong profits tax has been calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Income tax expense for the year comprised:

	2007 *HK$'000*	2006 *HK$'000*
Continuing operations	–	–
Discontinued operation		
Current tax - overseas	–	833
	–	833

A reconciliation of the theoretical tax amount calculated using the statutory tax rate to the actual tax expense is as follows:

	2007 *HK$'000*	2006 *HK$'000*
(Loss)/Profit before tax:		
Continuing operations	1,259	(3,259)
Discontinued operation	(5,521)	6,941
	(4,262)	3,682
Tax calculated at Hong Kong profits tax rate of 17.5%	(746)	644
Effect of different tax rates in other jurisdictions	(865)	(418)
Tax effect of income not subject to tax	(270)	47
Tax effect of expenses not deductible for tax	674	92
Tax effect of temporary differences not recognised	248	143
Tax effect of tax losses utilised	–	(139)
Tax effect of tax losses not recognised	959	464
Tax expense for the year	–	833

9. DISCONTINUED OPERATION

On 28 February 2007, the Group entered into an agreement for the termination of the marketing agreement to provide marketing, rolling and settlement services for a VIP lounge of a casino in Macau. In this connection, a compensation of HK$6,000,000 was paid by the Group and recognised as an expense in the income statement.

The combined results and cash flows of the discontinued operation included in the consolidated income statement and the consolidated cash flow statement are set out below.

	2007	2006
	HK$'000	*HK$'000*
(Loss)/Profit for the year from discontinued operation		
Revenue *(Note 6)*	11,697	22,778
Expenses	(17,218)	(15,837)
(Loss)/Profit before tax	(5,521)	6,941
Income tax expense	–	(833)
(Loss)/Profit for the year from discontinued operation	(5,521)	6,108
Cash flows from discontinued operation		
Net cash flows from operating activities	(1,459)	6,108
Net cash flows from investing activities	–	–
Net cash flows from financing activities	–	–
Net cash flows	(1,459)	6,108

10. (LOSS)/PROFIT FOR THE YEAR

(Loss)/Profit for the year is stated after charging the following:

	Continuing operations		Discontinued operation		Consolidated	
	2007	**2006**	**2007**	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Advertising and promotion costs	315	349	–	–	315	349
Auditors' remuneration	560	280	–	–	560	280
Amortisation of intangible assets	–	217	–	–	–	217
Depreciation:						
Owned assets	172	247	8	8	180	255
Leased assets	39	29	–	–	39	29
	211	276	8	8	219	284
Impairment losses:						
Intangible assets	–	361	–	–	–	361
Available-for-sale financial assets	–	330	–	–	–	330
Minimum lease payments under operating leases in respect of leased premises	1,584	1,251	–	–	1,584	1,251
Staff costs including directors' emoluments *(note 14)*	13,724	13,407	3,131	–	16,855	13,407

11. LOSS ATTRIBUTABLE TO SHAREHOLDERS

The loss attributable to equity holders of the parent dealt with in the accounts of the Company was approximately HK$16,086,000 (2006: HK$1,874,000).

12. DIVIDEND

No dividend has been paid or declared by the Company during the year or since the balance sheet date (2006: nil).

13. (LOSS)/EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic (loss)/earnings per share attributable to ordinary equity holders of the parent is based on the Group's loss attributable to equity holders of the parent for the year of HK$5,992,000 (2006: profit of HK$2,849,000) and on the weighted average number of 265,906,712 (2006: 251,461,767) ordinary shares in issue during the year.

For continuing operations

The calculation of the basic (loss)/earnings per share from continuing operations attributable to ordinary equity holders of the parent is based on the following:

	2007	2006
	HK$'000	*HK$'000*
(Loss)/Profit for the year attributable to equity holders of the parent	(5,992)	2,849
Less: Loss/(Profit) for the year from discontinued operation	5,521	(6,108)
Loss for the purposes of basic loss per share from continuing operations	(471)	(3,259)
Weighted average number of ordinary shares	265,906,712	251,461,767

For discontinued operation

Basic loss per share for the discontinued operation is HK2.07 cent per share (2006: earnings HK2.43 cents per share), based on the loss for the year from discontinued operation of HK$5,521,000 (2006: profit HK$6,108,000) and on the weighted average number of 265,906,712 (2006: 251,461,767) ordinary shares in issue during the year.

Diluted (loss)/earnings per share

Diluted loss per share is not presented for the year ended 31 March 2007 as the Group had no potential dilutive ordinary shares as at the balance sheet date.

Diluted earnings per share is not presented for the year ended 31 March 2006 as the outstanding share options of the Company had anti-dilutive effects on the basic earnings per share.

14. STAFF COSTS INCLUDING DIRECTORS' EMOLUMENTS

	Continuing operations		Discontinued operation		Consolidated	
	2007	2006	2007	2006	2007	2006
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Salaries and benefits	13,257	12,936	3,131	–	16,388	12,936
Contributions to defined contribution retirement schemes*	467	471	–	–	467	471
	13,724	13,407	3,131	–	16,855	13,407

* No forfeited contributions were utilised during the year and there were no material forfeitures available to reduce the Group's future contributions at both 31 March 2007 and 31 March 2006.

15. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments of the directors of the Company during the year are as follows:

	2007	2006
	HK$'000	*HK$'000*
Fees	150	24
Salaries including benefits in kind	1,680	1,627
Performance related bonus	2,475	–
Contributions to defined contribution retirement scheme	18	22
	4,323	1,673

The remuneration of each individual director is set out below:

2007

	Fees	Salaries, allowances and benefits in kind	Performance related bonus	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors					
Wong Kam Leong	–	–	–	–	–
Lau Chiu Pui (resigned on 28 December 2006)	–	1,200	–	18	1,218
Lai Cho Wai	–	240	1,238	–	1,478
Ma Chon	–	240	1,237	–	1,477
Independent non-executive directors					
Ieong Meng Wa (appointed on 7 April 2006)	50	–	–	–	50
Ng Kwok Chu, Winfield	50	–	–	–	50
Ng Chau Tung, Robert	50	–	–	–	50
	150	1,680	2,475	18	4,323

2006

	Fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors				
Wong Kam Leong (appointed on 28 November 2005)	–	–	–	–
Lau Chiu Pui (resigned on 28 December 2006)	–	1,200	13	1,213
Lai Cho Wai (appointed on 22 June 2005)	–	185	–	185
Ma Chon (appointed on 28 November 2005)	–	13	–	13
Chau Pui Fong, Trish (resigned on 3 January 2006)	–	183	9	192
Non-executive director				
Chiu Raymond Yim (resigned on 3 January 2006)	–	–	–	–
Independent non-executive directors				
Ieong Meng Wa (appointed on 7 April 2006)	–	–	–	–
Ng Kwok Chu, Winfield (appointed on 3 January 2006)	12	–	–	12
Ng Chau Tung, Robert (appointed on 3 January 2006)	12	–	–	12
Cheong Ngai Ming, David (resigned on 3 January 2006)	–	46	–	46
Kwan Ngan Hing, Edith (resigned on 3 January 2006)	–	–	–	–
Chan Wai Choi, Glenn (resigned on 3 January 2006)	–	–	–	–
	24	1,627	22	1,673

During the year, no option was granted to the directors in respect of their services to the Group (2006: nil).

There was no arrangement under which a director waived or agreed to waive any emoluments for the year (2006: nil).

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2006: one) director whose emoluments are reflected in the analysis presented above.

The emoluments payable to the remaining two (2006: four) individuals during the year are as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	1,126	2,326
Retirement scheme contributions	24	48
	1,150	2,374

The emoluments fell within the following band:

	Number of individuals	
	2007	**2006**
Nil - HK$1,000,000	2	4

16. INTANGIBLE ASSETS

	Group		
	Development expenditures	**Software**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Cost			
At 1 April 2005 and 31 March 2006	8,268	1,300	9,568
At 1 April 2006 and 31 March 2007	8,268	1,300	9,568
Accumulated amortisation and impairment			
At 1 April 2005	8,268	722	8,990
Amortisation charge for the year	–	217	217
Impairment for the year	–	361	361
At 1 April 2006 and 31 March 2007	8,268	1,300	9,568
Carrying amount			
At 31 March 2007	–	–	–
At 31 March 2006	–	–	–

17. GOODWILL

	Group 2007	2006
	HK$'000	*HK$'000*
Cost and carrying amount		
At 1 April 2005	–	–
At 31 March 2006 and 1 April 2006	–	–
Acquisition of subsidiaries *(note 31)*	63,376	
At 31 March 2007	63,376	–

Impairment test for goodwill

Goodwill as of 31 March 2007 has entirely been allocated to the Group's cash-generating unit (CGU) being the segment for the sharing of profits of a junket representative of a VIP lounge of a casino in Macau, which is identified according to business segments.

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections covering a five-year period based on financial forecasts approved by management. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations in respect of the segment for the sharing of profits of a junket representative of a VIP lounge of a casino in Macau are as follows:

	2007	2006
Growth rate	3.00%	–
Discount rate	7.93%	–

Management prepared the financial forecasts based on past performance and its expectation for the relevant market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflects specific risks relating to the gaming industry in Macau.

18. PROPERTY, PLANT AND EQUIPMENT

	Group				
	Leasehold improvement *HK$'000*	Furniture and fixtures *HK$'000*	Computer equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
Cost					
At 1 April 2005	489	1,088	2,371	457	4,405
Additions	–	10	295	–	305
At 31 March 2006 and 1 April 2006	489	1,098	2,666	457	4,710
Additions	23	-	210	–	233
Disposals	–	–	(273)	–	(273)
At 31 March 2007	512	1,098	2,603	457	4,670
Accumulated depreciation					
At 1 April 2005	419	1,059	2,081	457	4,016
Charges for the year	70	16	198	–	284
At 31 March 2006 and 1 April 2006	489	1,075	2,279	457	4,300
Charges for the year	8	17	194	–	219
Write-back on disposals	–	–	(273)	–	(273)
At 31 March 2007	497	1,092	2,200	457	4,246
Carrying amounts					
At 31 March 2007	15	6	403	–	424
At 31 March 2006	–	23	387	–	410

As at 31 March 2007, the carrying amount of property, plant and equipment held under finance leases amounted to approximately HK$187,000 (2006: HK$188,000).

19. INTERESTS IN SUBSIDIARIES

	Company	
	2007 *HK$'000*	2006 *HK$'000*
Unlisted shares, at cost	63,795	418
Due from subsidiaries	29,478	29,478
Due to subsidiaries	(2,392)	(842)
	90,881	29,054
Provision for impairment losses	(29,626)	(16,477)
	61,255	12,577

The following is a list of subsidiaries as at 31 March 2007:

Name	Place of incorporation and operation	Particulars of issued share capital/ registered capital	Effective equity interest attributable to the Company Directly	Effective equity interest attributable to the Company Indirectly	Principal activities
Cherry Oasis (Far East) Limited	Hong Kong	1 ordinary share of HK$1 each	100%	–	Investment holding
Cherry Oasis (Macau) Limited	Macau	50,000 ordinary shares of MOP$1 each	–	100%	Marketing service for gaming activities in Macau before October 2006, but ceased operation thereafter
Right Gateway Limited	British Virgin Islands	100 ordinary shares of US$1 each	100%	–	Investment holding
Right Idea Investments Limited	British Virgin Islands	100 ordinary shares of US$1 each	–	70%	Sharing of profits of a casino junket representative
Magic Business Solutions Limited	Hong Kong	250,000 ordinary shares of HK$1 each	–	100%	Investment holding
CyberM (Guangzhou) Information Technology Limited#	PRC	HK$1,750,000	–	100%	Trading of software and hardware equipment
CyberM Holdings Limited	Hong Kong	10,000 ordinary shares of HK$1 each	–	100%	Inactive
CyberM Information Technology Limited	Hong Kong	700,000 ordinary shares of HK$1 each	–	100%	Trading of software and hardware equipment
Magic Information Technology Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Trading of software and hardware equipment
MagicPlus Solutions Limited	Hong Kong	750,000 ordinary shares of HK$1 each	–	60%	Lease of software licences, trading of hardware equipment and provision of consultancy services
Mcmanners Management Limited	British Virgin Islands	10,000 ordinary shares of US$1 each	100%	–	Investment holding
Parkfield (China) Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Investment holding
SchoolPlus Limited	Hong Kong	2 ordinary shares of HK$1 each	–	100%	Trading of software and hardware equipment
Shilesse (Changsha) Limited#	PRC	HK$350,000	–	60%	Inactive
Shilesse Management Consultant Limited	Hong Kong	10 ordinary shares of HK$1 each	–	60%	Investment holding
Unlimited Solutions Limited	Hong Kong	1 ordinary share of HK$1 each	–	100%	Trading of software and hardware equipment

wholly-foreign-owned enterprise established in the PRC

20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group 2007 HK$'000	Group 2006 HK$'000
Unlisted equity securities, at cost	1,850	1,850
Club debenture, at cost	330	330
Less: Provision for impairment losses	(2,180)	(2,180)
	–	–

21. TRADE RECEIVABLES

The ageing analysis of trade receivables is as follows:

	Group 2007 HK$'000	Group 2006 HK$'000
Within three months	7,745	6,878
Over three months and within six months	536	718
Over six months and within one year	225	128
Over one year and within two years	17	72
	8,523	7,796

The Group normally grants its customers credit periods for sales of goods ranging from 0 to 14 days. Considerations in respect of contracts for development of customised software, sales of related computer equipment, sales and lease of packaged software, the provision of technical support and maintenance services are payable pursuant to the terms of the respective contracts. The Group generally granted credit period of 2 months to customers in the marketing service sector.

22. TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	Group 2007 HK$'000	Group 2006 HK$'000
Within three months	126	2,346
Over three months and within six months	–	29
Over six months and within one year	–	–
Over one year and within two years	742	50
	868	2,425

23. DEFERRED CONSIDERATION FOR ACQUISITION

The deferred consideration arose from the acquisition of Right Gateway, which is more fully described in note 31, made on deferred payment terms. The deferred payments are contingent on the future profits recorded by Right Gateway over a period of two years.

Maturity analysis of the deferred consideration is as follows:

	Group	
	2007	**2006**
	HK$'000	*HK$'000*
Within one year	21,577	–
Between two and five years	13,300	–
	34,877	–

24. BANK LOANS

	Group	
	2007	**2006**
	HK$'000	*HK$'000*
Bank loans, unsecured, repayable within one year	–	229

The interest rate on the unsecured bank loans was charged on the outstanding balance at prime rate plus 2% per annum.

25. OBLIGATIONS UNDER FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2007	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount payable:				
Within one year	162	118	144	108
In the second to fifth years	–	59	–	54
	162	177	144	162
Future finance charges	(18)	(15)	–	–
Present value of lease obligations	144	162	144	162
Amount classified as current liabilities			(144)	(108)
Amount classified as non-current liabilities			–	54

It is the Group's policy to lease certain of its office equipment under finance leases. The average lease term is one to two years. Interest rates underlying all obligations under finance leases are fixed at the respective contract dates ranging from 6 to 8%. These leases have no terms of renewal and escalation clauses. No arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessors' charge over the leased assets.

26. AMOUNT DUE TO ULTIMATE HOLDING COMPANY

The amount is unsecured, interest-free and repayable on demand.

27. SHARE CAPITAL

	Number of shares		Amount	
	2007	2006	2007	2006
	'000	*'000*	*HK$'000*	*HK$'000*
Authorised				
Ordinary shares of HK$0.1 each	1,000,000	1,000,000	100,000	100,000
Issued and fully paid				
At beginning of year	253,030	250,060	25,303	25,006
Exercise of share options	–	2,970	–	297
Issue of shares as consideration for acquisition	50,000	–	5,000	–
At end of year	303,030	253,030	30,303	25,303

On 28 December 2006, the Company issued and allotted 50,000,000 ordinary shares credited as fully paid as part of the consideration for the acquisition of Right Gateway, which is more fully described in note 31.

During the year ended 31 March 2006, the Company issued and allotted 2,000,000 and 970,000 ordinary shares of HK$0.1 each of the Company for cash at HK$1.18 and HK$0.2 per share respectively as a result of the exercise of share options.

28. SHARE OPTIONS

(a) Share option scheme adopted on 1 August 2000

Pursuant to the share option scheme (the "2000 Scheme") adopted by the Company on 1 August 2000, the Board were authorised to grant options to full-time employees of the Group including executive directors and chief executive of the Company to subscribe for shares in the Company. The options granted under the 2000 Scheme were exercisable from 4 September 2000 to 3 September 2010 at an exercise price of HK$1.18.

Movements in the number of options outstanding under the 2000 Scheme during the year are as follows:

	2007	2006
At 1 April	–	4,276,000
Exercised	–	(2,000,000)
Lapsed	–	(2,276,000)
At 31 March	–	–

Noble Class Group Limited ("Noble Class"), the former controlling shareholder of the Company, entered into an option agreement with Wide Fine International Limited ("Wide Fine"), the present ultimate holding company of the Group whereby Noble Class granted Wide Fine the right to acquire up to 177,500,000 existing shares in the Company from Noble Class (the "Option"). From 25 July 2005 to 29 September 2005, Wide Fine exercised the Option in full to acquire shares of the Company and became the controlling shareholder of the Company.

In accordance with the conditions of the 2000 Scheme, the outstanding options issued under the 2000 Scheme lapsed on 29 March 2006, being 6 months from the change of control of the Company.

(b) Share option scheme adopted on 18 August 2003

A new share option scheme (the "2003 Scheme") was approved and adopted by the shareholders of the Company at an annual general meeting held on 18 August 2003. Under the 2003 Scheme, the directors of the Company were authorised to grant options to the full-time employees of the Group including executive directors and chief executive to subscribe for shares of the Company. On 12 December 2003, 690,000 options and 1,332,000 options which were exercisable from 15 December 2003 to 13 June 2009 and from 14 June 2006 to 13 June 2009 respectively were granted under the 2003 Scheme at an exercise price of HK$0.2.

On 18 August 2003, the 2000 Scheme was terminated and replaced by the 2003 Scheme. Since then, no further option could be granted under the 2000 Scheme while all options granted prior to such termination continued to be valid and exercisable.

Movements in the number of options outstanding under the 2003 Scheme during the year are as follows:

	2007	**2006**
At 1 April	–	1,114,000
Exercised	–	(970,000)
Lapsed	–	(144,000)
At 3l March	–	–

Noble Class Group Limited ("Noble Class"), the former controlling shareholder of the Company, entered into an option agreement with Wide Fine International Limited ("Wide Fine"), the present ultimate holding company of the Group whereby Noble Class granted Wide Fine the right to acquire up to 177,500,000 existing shares in the Company from Noble Class (the "Option"). From 25 July 2005 to 29 September 2005, Wide Fine exercised the Option in full to acquire shares of the Company and became the controlling shareholder of the Company.

In accordance with the conditions of the 2003 Scheme, the outstanding options issued under the 2003 Scheme lapsed on 29 March 2006, being 6 months from the change of control of the Company.

(c) Share option scheme adopted on 21 August 2006

A new share option scheme (the "2006 Scheme") was approved and adopted by the shareholders of the Company at an annual general meeting held on 21 August 2006. Under the 2006 Scheme, the directors of the Company are authorised to grant options to the participants of the Group including any employee, Director, adviser, consultant, licensors, distributors, suppliers, agents, customers, joint venture partners, strategic partners and services providers to or of any member of the Group whom the Board considers in its sole discretion to subscribe for shares of the Company.

On 29 March 2006, the 2003 Scheme was terminated and replaced by the 2006 Scheme. Since then, no further option can be granted under the 2003 Scheme while all options granted prior to such termination continue to be valid and exercisable.

No option has been granted, exercised, cancelled or lapsed under the 2006 Scheme.

29. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

The Group's merger reserve represents the difference between the nominal value of the share capital of subsidiaries acquired and the nominal value of the Company's shares issued in exchange thereof.

(b) Company

	Share premium	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2005	5,613	(19,755)	(14,142)
Issue of shares at premium	2,257	–	2,257
Loss for the year	–	(1,874)	(1,874)
At 31 March 2006 and 1 April 2006	7,870	(21,629)	(13,759)
Issue of shares at premium	23,500	–	23,500
Loss for the year	–	(16,086)	(16,086)
At 31 March 2007	31,370	(37,715)	(6,345)

At 31 March 2006 and 2007, the Company had no distributable reserve.

30. DEFERRED TAXATION

As at 31 March 2007, deferred tax asset/(liabilities) have not been recognised in respect of the following temporary differences:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Tax losses	3,668	3,512
Decelerated/(Accelerated) tax depreciation	41	(37)
Provision for impairment of receivables	270	278
	3,979	3,753

Deferred tax assets have not been recognised in respect of the above temporary differences because it is uncertain that there would be sufficient future taxable profits to utilise the tax benefits from them.

31. BUSINESS COMBINATION

Pursuant to an agreement dated 27 July 2006 ("Acquisition Agreement"), on 28 December 2006 ("Completion Date"), the Group completed the acquisition of the entire issued share capital of Right Gateway Limited ("Right Gateway"). According to the Acquisition Agreement, the consideration for the acquisition comprised: (i) HK$30,000,000 in cash ("Cash Payment") subject to adjustment with reference to the quarterly profit of the subsidiary of Right Gateway and payable over a 24-month period; (ii) 50,000,000 shares of the Company credited as fully paid ("Consideration Shares"); and (iii) convertible notes ("Convertible Notes") in the aggregate principal amount of HK$145,200,000 subject to adjustment with reference to the quarterly profit of the subsidiary of Right Gateway. As part of the Acquisition Agreement, the Company also agreed to grant to the vendor a call option ("Call Option") for 50,000,000 shares of the Company at an exercise price of HK$0.99 per share.

Right Gateway's main asset comprises 70% equity interest in Right Idea Investments Limited ("Right Idea"), which in turn is a party to an agreement entitling Right Idea to share the profits generated by a junket representative from its marketing services for a VIP lounge of a casino in Macau.

Pursuant to the Acquisition Agreement, on the Completion Date, only the Consideration Shares were issued and allotted by the Company to the vendors, whilst the Cash Payment, the Convertible Notes and the Call Option have not yet been paid, released or granted so far.

The net assets acquired and the goodwill arising are as follows:

	Pre-acquisition carrying amount HK$'000	Fair value adjustments HK$'000	Recognised values on acquisition HK$'000
Other receivable	1	–	1
Net identifiable assets and liabilities	1	–	1
Goodwill on acquisition *(note 17)*			63,376
			63,377
Total consideration satisfied by:			
Shares of the Company			28,500
Deferred consideration *(note 23)*			34,877
			63,377

The deferred consideration is contingent upon the future profit achieved by Right Gateway through Right Idea and to be settled by the Convertible Notes and the Cash Payment. Pursuant to the Acquisition Agreement, the values of the Convertible Notes and the Cash Payment to be released at each quarter end over a period of 2 years from the Completion Date are subject to adjustment as follows:

Quarterly profit of Right Idea	Adjustment to be made to the Convertible Notes	Adjustment to be made to the Cash Payment
If the relevant quarterly profit is less than HK$11,250,000 ("Guaranteed Profit")	For every HK$1 shortfall from the Guaranteed Profit, the face value of the Convertible Note to be released for that quarter shall be reduced by HK$1.61.	For every HK$1 shortfall from the Guaranteed Profit, the amount of the Cash Payment to be released for that quarter shall be reduced by HK$0.333.
If the relevant quarterly profit is more than the Guaranteed Profit	For every HK$1 excess over the Guaranteed Profit, the face value of the Convertible Note to be released shall be accelerated by HK$1.61, provided that the aggregate face value of all Convertible Notes shall not exceed HK$145,200,000.	For every HK$1 excess over the Guaranteed Profit, the amount of the Cash Payment to be released shall be accelerated by HK$0.333, provided that the aggregate amount of all Cash Payment shall not exceed HK$30,000,000.

Goodwill arose in the acquisition of Right Gateway because the consideration amount included premium paid for the expected revenue growth and future market development of the blooming gaming activities in Macau.

Right Gateway contributed HK$5,765,000 and HK$5,765,000 to the Group's consolidated revenue and consolidated profit attributable to equity holders of the parent for the period from the date of acquisition to the balance sheet date.

If the acquisition of Right Gateway had been completed on 1 April 2006, there would be no material changes to the Group's consolidated revenue and consolidated profit for the year.

32. NON-CASH TRANSACTIONS

During the year, the Company issued and allotted 50,000,000 shares credited as fully paid as part of the consideration for the acquisition of Right Gateway as more fully described in note 31.

During the year, the Group acquired plant and equipment of approximately HK$121,000 (2006: HK$216,000) under finance leases.

33. COMMITMENT UNDER OPERATING LEASES

As at 31 March 2007, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	Group	
	2007	**2006**
	HK$'000	*HK$'000*
Within one year	781	1,879
In the second to fifth years inclusive	–	1,141
	781	3,020

34. POST BALANCE SHEET EVENTS

(a) Proposed rights issue and bonus issue

Subsequent to the balance sheet date, the Company proposed to raise approximately HK$36 million net of estimated expenses by way of rights issue of one rights share for every existing share held on 3 August 2007 at a subscription price of HK$0.13 per rights share. The proposed rights issue is fully underwritten by Sun Hung Kai International Limited pursuant to the terms and conditions of the underwriting agreement dated 23 May 2007. In connection with the proposed rights issue, the Company also proposed a bonus issue of one bonus share for every rights share. The proposed rights issue and bonus issue are conditional upon, among others, the approval of the Company's shareholders at a special general meeting to be held on 3 August 2007.

Details of the proposed rights issue and bonus issue are given in the Company's announcement dated 4 June 2007 and circular dated 28 June 2007.

(b) Supplemental agreement to the acquisition of Right Gateway

On 21 May 2007, the Company and the vendors entered into a conditional supplemental agreement ("Supplemental Agreement") whereby the consideration for the acquisition of Right Gateway as discussed in note 31 would be reduced and would comprise only 50,000,000 Consideration Shares (that were already issued and allotted and credited as fully paid on 28 December 2006) and HK$34,877,000 in cash. Pursuant to the Supplemental Agreement, the vendors also agreed to cancel the agreement to grant Call Option. The Supplemental Agreement is conditional upon: (i) the approval by the Company's independent shareholders (being shareholders of the Company save for its parent and ultimate holding company, Wide Fine International Limited, the vendors and their associates) at the special general meeting to be held on 3 August 2007; and (ii) the proposed rights issue as discussed in paragraph (A) above becoming unconditional.

The transaction contemplated under the Supplemental Agreement constitutes a connected and major transaction under the GEM Rules. In this connection, the Company has established the Independent Board Committee comprising the three Independent Non-executive Directors and appointed an independent financial adviser. The Independent Board Committee having taking into account the advice of the independent financial adviser considers that the terms of the Supplemental Agreement are not in the interests of the Company and its shareholders as a whole and, therefore, recommends the independent shareholders of the Company to vote against the resolution for the approval of the Supplemental Agreement. As a result, no adjustment has been made to these financial statements to reflect the proposed changes to the terms for the deferred consideration for the acquisition of Right Gateway and therefore the deferred consideration has been measured and classified into current and non-current liabilities according to the original terms of the Acquisition Agreement, which are described in note 31.

Details of the Supplemental Agreement are given in the Company's announcement dated 4 June 2007 and circular dated 28 June 2007.

35. RELATED PARTY TRANSACTIONS

Key management compensation

The Company considers that all members of key management consist of the directors of the Company.

Details of the compensation of directors of the Company during the year are included in note 15 to the financial statements.

The compensation of directors of the Company are determined by the Remuneration Committee of the Board having regard to the performance of individuals and market trends.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables. Details of these financial instruments are disclosed in their respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

a) Credit risk

The Group's credit risk is primarily attributable to bank deposits, trade and other receivables. The Group's bank deposits are placed with banks of high credit ratings such that the risk of bank failure is minimised. The management continuously evaluates the credit worthiness of each customer and these credit risks are closely monitored on an ongoing basis. At each balance sheet date, the Group reviews the recoverable amount of each individual debt to ensure that adequate impairment losses are made for irrecoverable amounts. Normally the Group does not obtain collateral from customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

b) Liquidity risk

The management regularly monitors current and expected liquidity requirements and its compliance with lending covenants, to ensure that the Group maintains sufficient reserves of cash and adequate committed lines of funding from financial institutions to meet its liquidity requirements in the short and longer term.

c) Cash flow interest rate risk

At the balance sheet date, as the Group had no significant interest-bearing assets or borrowings, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

37. PARENT AND ULTIMATE HOLDING COMPANY

The directors regard Wide Fine International Limited, a company incorporated in Hong Kong, as the parent and the ultimate holding company of the Group.

38. COMPARATIVE FIGURES

The comparative income statement has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the earliest period presented.

39. APPROVAL OF ACCOUNTS

The accounts were approved and authorised for issue by the board of directors on 29 June 2007.

3. BUSINESS REVIEW AND PROSPECTS

The principal activities of the Group comprise developing related business in the gaming and entertainment sectors, and providing IT consulting services in the Greater China Region. The gaming and entertainment business has contributed impressive growth in turnover for the Group since 2005. For the business outlook, the gaming business in Macau is still competitive and is facing uncertainty. However the Company believes the gaming and entertainment business will continue to grow and become the key profit centre by devoting more resources to undertake marketing and promotion campaigns, and exploring opportunities for acquisition or partnership in related business in Macau or other region in the South East Asia.

4. WORKING CAPITAL

The Directors are of the opinion that, taking into account the cash flows generated from the operating activities, the financial resources available to the Group, including internally generated funds, the available credit facilities and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this prospectus.

5. INDEBTEDNESS

At the close of the business on 31 May 2007, being the latest practicable date for the purpose of this indebtedness statement, the Group had total outstanding debts of approximately HK$2,623,000. These borrowings comprise amount due to ultimate holding company, obligations under finance leases, and other loan of HK$2,002,000, HK$121,000 and HK$500,000 respectively. All the borrowings are unsecured.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any outstanding debt securities and any other borrowings/indebtedness in the nature of borrowing of the Group including: bank overdrafts, liabilities under acceptances, acceptance credits, hire purchase commitments, mortgages or charges, contingent liabilities or guarantees.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2007, the date to which the latest published audited financial statements of the Company were made up.

7. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES AND NET TANGIBLE ASSETS OF THE GROUP AS AT 31 MARCH 2007

The unaudited pro forma statement of assets and liabilities and net tangible assets of the Group has been prepared based on the consolidated balance sheet of the Group as at 31 March 2007 as set out in section 2 to this Appendix II to this prospectus, after taking into account of the effects of the Transaction, the Rights Issue and the Bonus Share Issue, and has been presented as if the Transaction, the Rights Issue and the Bonus Share Issue had taken place on 31 March 2007.

	Audited consolidated balance sheet of the Group as at 31 March 2007	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Unaudited pro forma consolidated balance sheet adjusted after the Transaction, Rights Issue and Bonus Share Issue
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(note 1)	*(note 2)*	*(note 3)*	
Non-current assets					
Property, plant and equipment	424				424
Goodwill	63,376				63,376
	63,800				63,800
Current assets					
Trade receivables	8,523				8,523
Prepayments, deposits and other receivables	712				712
Cash and bank balances	1,277	39,400	(3,400)	(30,000)	7,277
	10,512				16,512
Current liabilities					
Trade payables	868				868
Accruals and other payables	4,294				4,294
Deferred consideration for acquisition	21,577			(21,577)	–
Receipts in advance	2,230				2,230
Current portion of obligations under finance leases	144				144
Amount due to ultimate holding company	1,407				1,407
Provision for taxation	833				833
	31,353				9,776

	Audited consolidated balance sheet of the Group as at 31 March 2007 *HK$'000*	Pro forma adjustment *HK$'000* *(note 1)*	Pro forma adjustment *HK$'000* *(note 2)*	Pro forma adjustment *HK$'000* *(note 3)*	Unaudited pro forma consolidated balance sheet adjusted after the Transaction, Rights Issue and Bonus Share Issue *HK$'000*
Net current (liabilities)/assets	(20,841)				6,736
Total assets less current liabilities	42,959				70,536
Non-current liabilities					
Deferred consideration for acquistion	13,300			(8,423)	4,877
	13,300				4,877
NET ASSETS	29,659				65,659
Less: Intangible assets					(63,376)
NET TANGIBLE ASSETS					2,283

	Unaudited pro forma adjusted consolidated net tangible assets per Share after the Rights Issue and Bonus Share Issue *(Note 4)*
Based on 909,090,000 Shares in issue	HK0.25 cent

Notes:

(1) The proceeds of approximately HK$39.4 million are raised from the Rights Issue.

(2) The expenses including underwriting commission, professional fees, printing charges and sundry expenses for the Rights Issue are expected to be approximately HK$3.4 million.

(3) The net proceeds of approximately HK$36 million raised from the Rights Issue (after deducting expenses including underwriting commission, professional fees, printing charges and sundry expenses) are expected to be used as to (i) approximately HK$30 million for payment of the revised consideration under the acquisition of 100% equity interests in Right Gateway; and (ii) the balance of approximately HK$6 million for general working capital purpose.

(4) The calculation of the unaudited pro forma consolidated net tangible assets per Share is based on 909,090,000 Shares which comprise 303,030,000 Shares in issue as of 31 March 2007, 303,030,000 Rights Shares and 303,030,000 Bonus Shares to be issued.

8. REPORT FROM GC ON THE UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES AND NET TANGIBLE ASSETS OF THE GROUP

GC Alliance Limited
Certified Public Accountants
正立會計師事務所有限公司

ACCOUNTANT'S REPORT ON PRO FORMA FINANCIAL INFORMATION

To the directors of Long Success International (Holdings) Limited

We report on the unaudited pro forma statement of assets and liabilities and net tangible assets ("Pro Forma Financial Information") of Long Success International (Holdings) Limited (the "Company") and its subsidiaries (collectively the "Group") and Right Gateway Limited ("Right Gateway"), which has been prepared by the directors of the Company (the "Directors") for illustrative purposes only, to provide information about how (i) the acquisition of 100% equity interest in Right Gateway pursuant to the terms of the supplemental agreement dated 21 May 2007 between the Company, Mr. Sin Tim Iao, Ms. Chen Anfeng and Man Pou Gambling Promotion Company Limited; (ii) the proposed issue of 303,030,000 new shares ("Rights Shares") by way of rights issue of one Rights Share for every existing share held on 20 July 2007 at the subscription price of HK$0.13 per Rights Share; and (iii) the proposed issue of 303,030,000 new shares ("Bonus Shares") by way of bonus issue of one Bonus Share for every Rights Share ("Bonus Issue"), might have affected the financial information presented, for inclusion in of Appendix II to the Company's prospectus dated 8 August 2007 (the "Prospectus"). The basis of preparation of the Pro Forma Financial Information is set out on page 62 of the Prospectus.

Respective Responsibilities of Directors and Reporting Accountants

It is the responsibility solely of the Directors to prepare the unaudited Pro Forma Financial Information in accordance with Rule 7.31(1) of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline (AG) 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by Rule 7.31(1) of Chapter 7 of the GEM Rules, on the unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements (HKSIR) 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to Rule 7.31(1) of Chapter 7 of the GEM Rules.

The unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 March 2007 or any future date.

Opinion

In our opinion:

a. the unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

b. such basis is consistent with the accounting policies of the Group; and

c. the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to Rule 7.31(1) of Chapter 7 of the GEM Rules.

GC Alliance Limited
Certified Public Accountants
Suites 2406-7, 24th Floor, Man Yee Building
68 Des Voeux Road Central
Hong Kong
6 August 2007

Pang Fung Ming
Practising Certificate number P03124

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

(a) the information contained in this prospectus is accurate and complete in all material respects and not misleading;

(b) there are no other matters the omission of which would make any statement in this prospectus misleading; and

(c) all opinions expressed in this prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. SHARE CAPITAL

The authorized and issued capital of the Company as at the Latest Practicable Date were, and immediately following the completion of the Rights Issue and the Bonus Share Issue will be, as follows:

		HK$
Authorised		
1,000,000,000		**100,000,000**
Issued and fully paid		
303,030,000	Shares in issue as at the Latest Practicable Date	30,303,000
303,030,000	Rights Shares to be issued pursuant to the Rights Issue	30,303,000
303,030,000	Bonus Shares to be issued pursuant to the Bonus Issue	30,303,000
909,090,000	Shares in issue upon completion of the Rights Issue and the Bonus Issue	**90,909,000**

All the Shares in issue, Rights Shares and Bonus Shares to be issued rank and will rank pari passu in all respects with each other including as regards to dividends, voting and return of capital.

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for Shares.

The Shares are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

There are no arrangements under which future dividends will be waived or agreed to be waived.

No shares have been issued since 31 March 2007 being the end of the last financial year of the Company.

No share or loan capital of the Company or any member of the Group has been put under option or agreed conditionally or unconditionally to be put under option and no warrant, derivative or conversion right affecting the Shares has been issued or granted or agreed conditionally or unconditionally to be issued or granted.

3. DIRECTORS' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of directors	**Type of interest**	**Number of ordinary shares in the Company**	**Percentage of shareholdings**
Wong Kam Leong	Corporate interest *(Note 1)*	205,000,000	67.66%
Lai Cho Wai	Personal interest *(Note 2)*	44,000,000	14.52%

Note:

1. As at the Latest Practicable Date, Wide Fine International Limited ("Wide Fine") is the beneficial owner of 102,500,000 Shares. Pursuant to the Undertakings, Wide Fine undertook to subscribe for 102,500,000 Shares under the Rights Issue. As at the Latest Practicable Date, Mr. Wong was the sole beneficial owner of Wide Fine, and was deemed to be interested in Shares held by Wide Fine.

2. As at the Latest Practicable Date, Mr. Lai has a personal interest in 22,000,000 Shares. Pursuant to the Undertakings, Mr. Lai undertook to subscribe for 22,000,000 Shares under the Rights Issue.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF LONG SUCCESS

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of Long Success) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, carrying rights to vote in all circumstances at general meeting of any member of the Group:

Name	**Number of shares held**	**Percentage of shareholdings** *(%)*
Wide Fine International Limited *(Note 3)*	205,000,000	67.66%
Lai Pak Leng *(Note 4)*	46,000,000	15.18%
Chen Anfeng *(Note 5)*	50,000,000	16.50%
Sin Tim Lao *(Note 6)*	30,000,000	9.90%

Note:

3. As at the Latest Practicable Date, Wide Fine International Limited ("Wide Fine") is the beneficial owner of 102,500,000 Shares. Pursuant to the Undertakings, Wide Fine undertook to subscribe for 102,500,000 Shares under the Rights Issue.

4. As at the Latest Practicable Date, Lai Pak Leng is the beneficial owner of 23,000,000 Shares. Pursuant to the Undertakings, Lai Pak Leng undertook to subscribe for 23,000,000 Shares.

5. As at the Latest Practicable Date, Chen Anfeng is the beneficial owner of 25,000,000 Shares. Pursuant to the Undertakings, Chen Anfeng undertook to subscribe for 25,000,000 Shares under the Rights Issue.

6. As at the Latest Practicable Date, Sin Tim Lao is the beneficial owner of 15,000,000 Shares. Pursuant to the Undertakings, Sin Tim Lao undertook to subscribe for 15,000,000 Shares under the Rights Issue.

These interests are in addition to those disclosed above in respect of the Directors and chief executive of the Company. Save as disclosed above, no other person was recorded in the register pursuant to Part XV of the SFO as having an interest in 5 per cent or more of the issued share capital of the Company as at the Latest Practicable Date.

5. SERVICE CONTRACTS

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered into any service agreements with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

6. INTERESTS IN CONTRACT OR ARRANGEMENT

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. INTERESTS IN ASSETS

None of the Directors has or has had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2007 being the date to which the latest published audited accounts of the Group were made up.

8. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors, or the controlling Shareholder, and their respective associates had any interests in a business which competes or may compete with the business of the Group.

9. AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the requirements as set out in Rules 5.28 and 5.33 of the GEM Listing Rules. The primary duties of the audit committee are to review and to provide supervision over the financial reporting process and internal control system of the Group. The audit committee comprises the three independent non-executive Directors, Mr. Ng Kwok Chu, Winfield, Mr. Ng Chau Tung, Robert, Mr. Ieong Meng Wa whose further details are stated above.

10. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

11. EXPERT AND CONSENT

The qualification of the expert who have given opinion in this prospectus are as follows:

GC Certified Public Accountants

As at the Latest Practicable Date, GC has no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and has no direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group since 31 March 2007, being the date to which the latest published audited accounts of the Company were made up.

GC has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter and the reference to its name in the form and context in which they appear.

12. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date and which are material to the Group:

1. the marketing agreement dated 14 July, 2005 entered into between Cherry Oasis (Macau) Limited, a wholly owned subsidiary of the Company and Mr. Iong Ho Hong ("the Marketing Agreement") whereby Cherry Oasis (Macau) Limited was appointed exclusive service provider of rolling and settlement service for customers of the Imperator V.I.P. Club at the Galaxy Casino in the Waldo Hotel in Macau. No consideration is payable by the Company for acquiring the right to provide the services;

2. the sale and purchase agreement dated 27 July 2006 entered into by the Company as purchaser, Mr. Sin Tim Iao and Ms. Chen Anfeng as vendors and Man Pou Gambling Promotion Company Limited, in relation to the sale and purchase of the entire issued capital in Right Gateway Limited at a consideration of HK$230,200,000 ("the Initial Consideration") as varied by a deed of variation dated 17 August 2006 entered into by the same parties ("the Acquisition Agreement");

3. the agreement dated 27 July 2006 entered into among Right Idea Limited (a subsidiary of within the Group) as purchaser, Man Pou Gambling Promotion Company Limited as vendor and Mr. Sin Tim Iao and Ms. Chen Anfeng as guarantors relating to the sale and purchase of 100% interest in the 100% net profit of Man Pou Gambling Promotion Company Limited;

4. the termination agreement entered into between the Board and Mr. Iong Io Hong on 28 February 2007 to terminate the Marketing Agreement, pursuant to which, a compensation of HK$6,000,000 has been made by the Group to Mr. Iong Io Hong;

5. the supplemental agreement dated 21 May 2007 made by the Company, Mr. Sin Tim Iao and Ms. Chen Anfeng and Man Pou Gambling Promotion Company Limited in relation to the Acquisition Agreement to revise the Initial Consideration to HK$89,877,000; and

6. the Underwriting Agreement.

13. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance.

14. EXPENSES

The expenses in connection with the Rights Issue and the Bonus Share Issue, including the underwriting commission, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK$3.4 million and will be payable by the Company.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of the Company at 1309, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong during normal business hours up to and including 20 August 2007:

1. the Memorandum of association and the Bye-laws of the Company;

2. the annual reports of the Company for the three years ended 31 March 2007;

3. the material contracts referred to in the paragraph headed "Material contracts" in this Appendix;

4. the written consent referred to in the paragraph headed "Expert and Consent" in this Appendix;

5. the report from GC Alliance Limited dated 6 August 2007 on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is reproduced on pages 63 to 64 of this prospectus; and

6. the Circular.