



1 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below:

(a) Basis of preparation

The accounts have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants ("HKSA"). They have been prepared under the historical cost conversion as modified by the valuation of investment in securities at fair value.

In the current year, the Group adopted the following Statements of Standard Accounting Practice ("SSAPs") issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2001:

SSAP 9 (revised)	:	Events after the balance sheet date
SSAP 26	:	Segment reporting
SSAP 31	:	Impairment of assets

The effect of adopting these new standards is set out in the accounting policies below.

(b) Consolidation

The consolidated accounts include the accounts of the Company and its subsidiaries made up to 31st December. Subsidiaries are those entities in which the Group controls the composition of the board of directors, controls more than half the voting power, holds more than half of the issued share capital, or has the power to govern the financial and operating policies so as to obtain benefits from their activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any unamortised goodwill or negative goodwill or goodwill/negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

1 PRINCIPAL ACCOUNTING POLICIES (continued)**(c) Fixed assets**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Fixed assets are depreciated at rates sufficient to write off their cost less accumulated impairment losses over their estimated useful lives on a straight-line basis. The principal annual rate used for this purpose is 33 $\frac{1}{3}$ %.

Improvements are capitalised and depreciated over their expected useful lives to the Group.

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that assets included in fixed assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account.

(d) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the profit and loss account on a straight-line basis over the lease periods.

(e) Investments in securities**(i) Investment securities**

Investment securities which are held for non-trading purpose are stated at fair value at the balance sheet date. Changes in the fair value of individual securities are credited or debited to the investment revaluation reserve until the security is sold, or is determined to be impaired. Upon disposal, the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the profit and loss account.

Where there is objective evidence that individual investments are impaired, the cumulative loss recorded in the revaluation reserve is taken to the profit and loss account.

(ii) Trading securities

Trading securities are carried at fair value. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of trading securities are recognised in the profit and loss account. Profits or losses on disposal of investment securities, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.



1 PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

(g) Deferred taxation

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

(h) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

(i) Revenue recognition

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

Dividend income is recognised when the right to receive payment is established.

(j) Retirement benefit costs

The Group contributes to a defined contribution retirement scheme which is available to all employees. Contributions to the scheme by the Group and employees are calculated as a percentage of employees' basic salaries. The cost of retirement benefit scheme charged to the profit and loss account represents contributions paid/payable by the Company to the fund.

(k) Borrowing costs

All borrowing costs are charged to the profit and loss account in the year in which they are incurred.

**1 PRINCIPAL ACCOUNTING POLICIES** (continued)**(I) Dividend**

In accordance with the SSAP 9 (revised), in the current year the Group no longer recognises dividend proposed or declared after the balance sheet date as a liability at the balance sheet date. This change in accounting policy has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

As detailed in note 15, this change has resulted in an increase in opening retained earnings at 1st January 2001 by HKD1,000,000 which is the reversal of the provision for the proposed final dividend previously recorded as a liability as at 31st December 2000.

2 TURNOVER AND REVENUE

The Group is principally engaged in the investment in listed and unlisted companies. Revenues recognised during the year are as follows:

	2001 HKD	2000 <i>HKD</i>
Turnover		
Proceeds from sale of trading securities	46,446,974	34,058,900
Other revenues		
Interest income	2,807,827	4,808,964
Dividend income from investments in securities	582,960	570,000
	3,390,787	5,378,964
Total revenues	49,837,761	39,437,864

All of the Group's turnover, contribution to operating profit, assets and liabilities are attributable to the investment in listed and unlisted companies and accordingly no analysis of the Group's turnover, contribution to operating profit, assets and liabilities by principal activities is provided.

No geographical analysis is presented as none of the Group's turnover, contribution to operating profit, assets and liabilities is attributable to markets outside Hong Kong.



3 PROFIT BEFORE TAXATION

Profit before taxation is stated after crediting and charging the following:

	2001	2000
	HKD	HKD
Crediting		
Gain on disposal of a subsidiary	4,623	—
Charging		
Auditors' remuneration	150,000	150,000
Depreciation	343,014	190,693
Staff costs	2,067,657	2,070,639
Operating leases — land and buildings	508,709	461,108
Retirement benefit costs (<i>Note 8</i>)	47,888	4,000

4 TAXATION

- (a) Hong Kong profits tax has not been provided in the accounts as the Group has no estimated assessable profit during the year. Hong Kong profits tax had been provided at the rate of 16% on the estimated assessable profit during the year ended 31st December 2000.

The amount of taxation charged to the consolidated profit and loss account represents:

	2001	2000
	HKD	HKD
Hong Kong profits tax	—	150,000
(Over)/under provision in prior year	(9,007)	57,869
Deferred taxation	—	(73,000)
	(9,007)	134,869

- (b) At 31st December 2001 and 31st December 2000, there was no material unprovided deferred taxation.

5 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Company to the extent of HKD1,126,057 (2000: HKD6,212,390).

**6 DIVIDEND**

	2001	2000
	HKD	HKD
Final, proposed, of HKD0.01 (2000: HKD0.01) per ordinary share	<u>1,000,000</u>	<u>1,000,000</u>

- (a) At a meeting held on 19th April 2002, the directors declared a final dividend of HKD0.01 per ordinary share. Under SSAP 9 (revised), this proposed dividend is not reflected as dividend payable in these accounts, but will be reflected as an appropriation of retained profits for the year ending 31st December 2002.
- (b) In the previous year, the final dividend of HKD1,000,000 was proposed and declared after the balance sheet date but accrued in the accounts for the year ended 31st December 2000. Under the Group's new accounting policy as described in note 1(I), this has been written back against opening reserves as at 1st January 2001 as shown in note 15 and is now charged in the year in which it was proposed.

7 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the Group's profit attributable to the shareholders of HKD1,114,065 (2000: HKD6,182,847).

The basic earnings per share is based on the weighted average of 100,000,002 (2000: 100,000,002) ordinary shares in issue during the year. The diluted earnings per share is based on 100,672,058 (2000: 100,943,047) ordinary shares which is the weighted average number of ordinary shares in issue during the year plus the weighted average of 672,056 (2000: 943,045) ordinary shares deemed to be issued at no consideration as if all outstanding options had been exercised.

8 RETIREMENT BENEFIT COSTS

The Group contributes to a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Scheme Ordinance (the "MPF Ordinance") which is available to all qualifying employees. Under the MPF Scheme, the Group's contributions are at 5% of employees' relevant income as defined in the MPF Ordinance up to a maximum of HKD1,000 per employee per month. The employees also contribute a corresponding amount to the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The retirement benefit costs charged to the profit and loss account represent contributions paid and payable by the Group to the MPF Scheme.

During the year, the Group's contribution charged to the profit and loss account, amounted to HKD47,888 (2000: HKD4,000). As at 31st December 2001, there were no contributions payable to the MPF Scheme (2000: Nil).



9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors

The aggregate amounts of emoluments paid to directors, which are also included in staff costs as disclosed in note 3, of the Company during the year are as follows:

	2001	2000
	HKD	HKD
Fees	120,000	180,000
Other emoluments		
Basic salaries, housing allowances, other allowances and benefits in kind	1,572,000	1,256,000
Discretionary bonuses	—	424,000
Contribution to pension schemes	34,600	3,000
	1,726,600	1,863,000

Directors' fees disclosed above include HKD48,000 (2000: HKD48,000) paid to independent non-executive directors.

All emoluments of directors fell within the emolument band of HKD Nil to HKD1,000,000 for the years ended 31st December 2001 and 2000.

No directors waived emoluments in respect of the years ended 31st December 2001 and 2000.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2000: four) directors whose emoluments are reflected in the analysis presented in note 9(a) above. The emoluments payable to the remaining two (2000: one) individuals during the year are as follows:

	2001	2000
	HKD	HKD
Basic salaries, housing allowances, other allowances and benefits in kind	205,696	149,000



9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(c) Share options granted to the directors of the Company

Under a share option scheme (the "Scheme") approved by the shareholders of the Company, the directors of the Company may, at their discretion, invite employees, including executive directors of the Company, to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. Details of the share options granted to the directors are as follows:

Name of director	Options held at 1st January 2001	Options granted during the year	Options exercised during the year	Options held at 31st December 2001	Exercise price HKD	Grant date
Mr NGAN Man Kit	2,000,000	—	—	2,000,000	0.66	15th February 2000
Mr HO Wai Ip	2,000,000	—	—	2,000,000	0.66	15th February 2000
Mr WU Ting Yat, Timmy	2,000,000	—	—	2,000,000	0.66	15th February 2000

These share options are exercisable from 15th February 2000 to 14th February 2010. None of the above options have been exercised during the year.

10 FIXED ASSETS

	Group and Company				
	Leasehold improvement HKD	Office equipment HKD	Furniture and fixtures HKD	Motor vehicle HKD	Total HKD
Cost					
At 1st January 2001	160,070	80,260	337,020	—	577,350
Additions	—	—	1,639	462,164	463,803
At 31st December 2001	<u>160,070</u>	<u>80,260</u>	<u>338,659</u>	<u>462,164</u>	<u>1,041,153</u>
Accumulated depreciation					
At 1st January 2001	53,357	29,153	111,970	—	194,480
Charge for the year	53,356	28,140	107,463	154,055	343,014
At 31st December 2001	<u>106,713</u>	<u>57,293</u>	<u>219,433</u>	<u>154,055</u>	<u>537,494</u>
Net book value					
At 31st December 2001	<u>53,357</u>	<u>22,967</u>	<u>119,226</u>	<u>308,109</u>	<u>503,659</u>
At 31st December 2000	<u>106,713</u>	<u>51,107</u>	<u>225,050</u>	<u>—</u>	<u>382,870</u>



11 INVESTMENTS IN SUBSIDIARIES

	Company	
	2001	2000
	HKD	<i>HKD</i>
Investments at cost		
Unlisted shares	156	156
Loans to subsidiaries	4,041,379	2,761,137
	4,041,535	2,761,293

The loans to subsidiaries are interest-free and have no fixed terms of repayment.

The following is a list of the subsidiaries held directly by the Company at 31st December 2001:

Name	Place of incorporation	Principal activities and place of operation	Particulars of issued share capital	Interest held
Daily Double Investments Limited	The British Virgin Islands	Investment holding in Hong Kong	10 ordinary shares of US\$1 each	100%
Moving Target Co., Ltd.	The British Virgin Islands	Investment holding in Hong Kong	10 ordinary shares of US\$1 each	100%

12 INVESTMENT SECURITIES

	Group		Company	
	2001	2000	2001	2000
	HKD	<i>HKD</i>	HKD	<i>HKD</i>
Equity securities, at fair value				
Listed in Hong Kong	19,200,000	16,500,000	19,200,000	16,500,000
Unlisted	4,000,000	—	—	—
	23,200,000	16,500,000	19,200,000	16,500,000
Market value of listed equity securities	19,200,000	16,500,000	19,200,000	16,500,000

As at 31st December 2001, the carrying amounts of interests in the following company exceeded 10% of total assets of the Group and the Company respectively.

**12 INVESTMENT SECURITIES** (continued)

Name	Place of incorporation	Particulars of issued shares held	Investment value		Interest held	Dividend received
			Acquisition cost	At market value		
			HKD	HKD		HKD
Universe International Holdings Limited	Bermuda	Ordinary shares of HKD0.02 each	8,400,000	19,200,000	3.15%	90,000

Universe International Holdings Limited ("UIH") is principally engaged in the distribution of films in various formats, sub-licensing of film rights, film exhibition and replication of optical disc. Based on the 2001 annual report of UIH, the profit attributable to shareholders of UIH for the year ended 30th June 2001 was approximately HKD40,188,000 and the net assets of UIH as at 30th June 2001 were approximately HKD237,162,000.

13 TRADING SECURITIES

	Group		Company	
	2001	2000	2001	2000
	HKD	HKD	HKD	HKD
Equity securities, at fair value				
Listed in Hong Kong	15,464,850	18,008,400	15,464,850	18,008,400
Unlisted	—	2,737,420	—	5,670
	15,464,850	20,745,820	15,464,850	18,014,070
Market value of listed equity securities	15,464,850	18,008,400	15,464,850	18,008,400

At 31st December 2001, the carrying amount of interests in the following company, which was listed equity securities and was acquired during the year, exceeded 5% of total assets of the Group and the Company respectively is as follows:

Name	Place of incorporation	Particulars of issued shares held	Investment value		Interest held	Dividend received
			Acquisition cost	At market value		
			HKD	HKD		HKD
Moulin International Holdings Limited	Bermuda	Ordinary shares of HKD0.1 each	11,450,800	12,600,000	Less than 1%	459,360

Particulars of the above major trading securities are as follows:

Moulin International Holdings Limited ("MIH") is principally engaged in the design, manufacture, distribution and retailing of optical products. Based on the 2001 annual report of MIH, the profit attributable to the shareholders of MIH for the year ended 31st March 2001 was approximately HKD200,662,000 and the net assets of MIH as at 31st March 2001 were approximately HKD1,325,270,000.



14 SHARE CAPITAL

	Authorised Ordinary share of HKD0.1 each	
	<i>No. of shares</i>	<i>HKD</i>
At 31st December 2000 and 2001	200,000,000	20,000,000
	<u>200,000,000</u>	<u>20,000,000</u>
	Issued and fully paid Ordinary share of HKD0.1 each	
	<i>No. of shares</i>	<i>HKD</i>
At 31st December 2000 and 2001	100,000,002	10,000,000
	<u>100,000,002</u>	<u>10,000,000</u>

Under a share option scheme (the "Scheme") approved by the shareholders of the Company, the directors of the Company may, at their discretion, invite employees, including executive directors of the Company, to take up options to subscribe for shares in the Company subject to the terms and conditions stipulated therein. On 15th February 2000, the Company granted a total of 6,000,000 option shares to executive directors at an exercise price of HKD0.66 per share. These options are exercisable from 15th February 2000 to 14th February 2010. None of these options have been exercised during the years ended 31st December 2000 and 31st December 2001.



15 RESERVES

(a) Group

	Share premium <i>HKD</i>	Investment revaluation reserve <i>HKD</i>	Retained profits <i>HKD</i>	Total <i>HKD</i>
At 1st January 2000	84,031,922	—	1,602,401	85,634,323
Surplus on revaluation of investment securities	—	8,100,000	—	8,100,000
Profit for the year	—	—	6,182,847	6,182,847
	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,785,248</u>	<u>99,917,170</u>
At 31st December 2000	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,785,248</u>	<u>99,917,170</u>
Representing:				
At 31st December 2000	84,031,922	8,100,000	6,785,248	98,917,170
2000 final dividend proposed	—	—	1,000,000	1,000,000
	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,785,248</u>	<u>99,917,170</u>
	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,785,248</u>	<u>99,917,170</u>
	Share premium <i>HKD</i>	Investment revaluation reserve <i>HKD</i>	Retained profits <i>HKD</i>	Total <i>HKD</i>
At 1st January 2001, as previously reported	84,031,922	8,100,000	6,785,248	98,917,170
Effect of adopting SSAP 9 (Revised) (Note 1(l))	—	—	1,000,000	1,000,000
	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,785,248</u>	<u>99,917,170</u>
At 1st January 2001, as restated	84,031,922	8,100,000	7,785,248	99,917,170
Surplus on revaluation of investment securities	—	2,700,000	—	2,700,000
Profit for the year	—	—	1,114,065	1,114,065
2000 final dividend paid	—	—	(1,000,000)	(1,000,000)
	<u>84,031,922</u>	<u>10,800,000</u>	<u>7,899,313</u>	<u>102,731,235</u>
At 31st December 2001	<u>84,031,922</u>	<u>10,800,000</u>	<u>7,899,313</u>	<u>102,731,235</u>
Representing:				
At 31st December 2001	84,031,922	10,800,000	6,899,313	101,731,235
2001 final dividend proposed	—	—	1,000,000	1,000,000
	<u>84,031,922</u>	<u>10,800,000</u>	<u>7,899,313</u>	<u>102,731,235</u>



15 RESERVES (continued)

(b) Company

	Share premium <i>HKD</i>	Investment revaluation reserve <i>HKD</i>	Retained profits <i>HKD</i>	Total <i>HKD</i>
At 1st January 2000	84,031,922	—	1,602,401	85,634,323
Surplus on revaluation of investment securities	—	8,100,000	—	8,100,000
Profit for the year	—	—	6,212,390	6,212,390
	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,814,791</u>	<u>99,946,713</u>
At 31st December 2000	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,814,791</u>	<u>99,946,713</u>
Representing:				
At 31st December 2000	84,031,922	8,100,000	6,814,791	98,946,713
2000 final dividend proposed	—	—	1,000,000	1,000,000
	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,814,791</u>	<u>99,946,713</u>
	Share premium <i>HKD</i>	Investment revaluation reserve <i>HKD</i>	Retained profits <i>HKD</i>	Total <i>HKD</i>
At 1st January 2001, as previously reported	84,031,922	8,100,000	6,814,791	98,946,713
Effect of adopting SSAP 9 (Revised) (Note 1(l))	—	—	1,000,000	1,000,000
At 1st January 2001, as restated	<u>84,031,922</u>	<u>8,100,000</u>	<u>7,814,791</u>	<u>99,946,713</u>
Surplus on revaluation of investment securities	—	2,700,000	—	2,700,000
Profit for the year	—	—	1,126,057	1,126,057
2000 final dividend paid	—	—	(1,000,000)	(1,000,000)
At 31st December 2001	<u>84,031,922</u>	<u>10,800,000</u>	<u>7,940,848</u>	<u>102,772,770</u>
Representing:				
At 31st December 2001	84,031,922	10,800,000	6,940,848	101,772,770
2001 final dividend proposed	—	—	1,000,000	1,000,000
	<u>84,031,922</u>	<u>10,800,000</u>	<u>7,940,848</u>	<u>102,772,770</u>



15 RESERVES (continued)

The Company had a distributable reserve of HKD91,972,770 as at 31st December 2001 (2000: HKD91,846,713), represented by the total of share premium and retained profits of the Company. Under the Companies Law (2000 Revision) of the Cayman Islands, share premium of the Company is distributable to the shareholders, subject to a solvency test.

16 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before taxation to net cash inflow/(outflow) from operating activities

	2001	2000
	<i>HKD</i>	<i>HKD</i>
Profit before taxation	1,105,058	6,317,716
Depreciation	343,014	190,693
Gain on disposal of a subsidiary	(4,623)	—
Unrealised holding gain on trading securities	(1,231,144)	(2,558,400)
Decrease/(increase) in trading securities	3,780,364	(15,862,420)
Decrease in deposits, prepayments and other Receivables	337,624	56,303
Increase in sundry payables and accruals	34,858	3,571
Interest income	(2,807,827)	(4,808,964)
Dividend income	(582,960)	(570,000)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	974,364	(17,231,501)
	<hr/> <hr/>	<hr/> <hr/>

(b) Sale of a subsidiary

	2001	2000
	<i>HKD</i>	<i>HKD</i>
Net assets disposed of:		
Trading securities	2,731,750	—
Gain on disposal of a subsidiary	4,623	—
	<hr/>	<hr/>
	2,736,373	—
	<hr/> <hr/>	<hr/> <hr/>
Satisfied by:		
Cash	2,736,373	—
	<hr/> <hr/>	<hr/> <hr/>



17 COMMITMENTS

(a) Capital commitments for investment securities of the Group

	2001	2000
	HKD	<i>HKD</i>
Contracted but not provided for	<u>—</u>	<u>4,000,000</u>

(b) Commitments under operating leases

At 31st December 2001, the Group had future aggregate minimum lease payments under non-cancellable operating leases for land and buildings as follows:

	2001	As restated 2000
	HKD	<i>HKD</i>
Not later than one year	484,866	504,341
Later than one year and not later than five years	<u>—</u>	<u>484,866</u>
	<u>484,866</u>	<u>989,207</u>

**18 RELATED PARTY TRANSACTIONS**

Significant related party transactions, which were carried out in the normal course of the Group's business, are as follows:

	2001	2000
	HKD	HKD
Management fee and bonus paid/payable to a related company	(a) 3,446,469	1,838,493
Brokerage fee paid/payable to a related company	(b) 30,721	—

- (a) Pursuant to the Investment Management Agreement between the Company and Alpha Asset Investments Limited (the "Investment Manager"), the Investment Manager provides investment management services and general administrative services to the Group. Under this arrangement, the Investment Manager is entitled to a monthly management fee payable in advance at 2.5% per annum of the net asset value of the Group at the end of the preceding month on the basis of actual number of days in the relevant calendar month over a year of 365 days. In addition, the Investment Manager is also entitled to 15% of the surplus in net asset value of the Group over a financial year or period.

Mr NGAN Man Kit, an executive director of the Company, has 60% equity interests in the Investment Manager.

- (b) Uni-Alpha Securities Limited provides brokerage services to the Company and is entitled to a brokerage fee at 0.25% of the transaction amounts.

Mr NGAN Man Kit has 100% equity interests in Uni-Alpha Securities Limited.

19 POST BALANCE SHEET DATE EVENTS**At a meeting held on 19th April 2002:**

- (a) The directors recommended a bonus issue of ordinary shares of one bonus ordinary share for each ordinary share held by the holders of ordinary shares.
- (b) The directors also proposed to increase the authorised share capital of the Company from HKD20,000,000 divided into 200,000,000 ordinary shares of HKD0.1 each to HKD40,000,000 divided into 400,000,000 ordinary shares of HKD0.1 each.

20 APPROVAL OF ACCOUNTS

The accounts were approved by the board of directors on 19th April 2002.