1. *CORPORATE INFORMATION*

The Company was incorporated on 28 June 2002 as an exempted company with limited liability in the Cayman Islands under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The principal activity of the Company is investment in listed and unlisted companies in Hong Kong and in the PRC.

The shares of the Company were listed on the Stock Exchange with effect from 27 September 2002.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards (collectively referred to as the "new HKFRSs") which are effective for accounting periods commencing on or after 1 January 2005. The Group has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The new HKFRSs may result in changes in the future as to how the Company's financial performance and financial position are prepared and presented.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (which also include Statements of Standard Accounting Practice and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and applicable disclosure provisions of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). A summary of the significant accounting policies followed by the Company in the preparation of the financial statements is set out below:

(a) *Basis of Preparation*

The measurement basis used in the preparation of the financial statements is historical cost as modified by the marking-to-market of certain investments in securities as explained in Note 2(b) to financial statements below.

(b) *Fundamental Uncertainties*

The financial statements have been prepared on a going concern basis. The cash and bank balances maintained by the Company amounted to HK$112,000 as at 31 December 2004 and its continuance in business as a going concern is dependent upon the Company having future profitable operations and continuing financial support from the executive directors of the Company. The financial statements have been prepared on a going concern basis as the executive directors of the Company have confirmed to provide continuing financial support to the Company to enable it to continue as a going concern, to settle its liabilities as and when they fall due and to fulfill its obligations under the terms of certain sale and purchase agreements which the Company had entered into after the balance sheet, details of which are set in Note 21 to the financial statements.

As further disclosed in Note 12 to the financial statement, the Company's interests in Hong Xiang were subsequently disposed of after the year end date in exchange for four new investments. As at the date of approval of these financial statements, the disposal and the four exchange transactions have not yet been completed. The realisable value of Hong Xiang as at 31 December 2004 is dependent upon successful completion of the four transactions, the continuing financial support from the executive directors of the Company to facilitate the completions, and the fair values of the four new investments which the Company is to acquire. Should those transactions be failed to complete, appropriate adjustment against the carrying value of the Company's investment securities, which have been utilised as part of the considerations, might be required. The executive directors of the Company have confirmed to provide all necessary support, financial or otherwise, to facilitate the completion of the four transactions.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

(c) *Investment in Securities*

Held-to-maturity Securities:

Held-to-maturity securities are stated in the balance sheet at cost plus/less any discount/premium amortised to date. The discount or premium is amortised over the period to maturity and included as interest income/expense in the income statement. Provision is made when there is a diminution in value other than temporary.

The carrying amounts of individual held-to-maturity securities or holdings of the same securities are reviewed at the balance sheet date in order to assess the credit risk and whether the carrying amounts are expected to be recovered. Provisions are made when carrying amounts are not expected to be recovered and are recognised in the income statement as an expense immediately.

Investment Securities:

Investment securities are stated at cost less any provision for impairment losses.

The carrying amounts of individual investments are reviewed at each balance sheet date to assess whether the fair value have declined below the carrying amounts. When a decline other than temporary has occurred, the carrying amount of such securities will be reduced to its fair value. The impairment loss is recognised as an expense in the income statement. This impairment loss is written back to income statement when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

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 income statement. Profits or losses on disposal of trading securities, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the income statement as they arise.

(d) *Current Assets and Liabilities*

Current assets are expected to be realised within twelve months of the balance sheet date or in the normal course of the Company's operating cycle. Current liabilities are expected to be settled within twelve months of the balance sheet date or in the normal course of the Company's operating cycle.

(e) *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, deposits held at call with banks, cash investments with a maturity of three months or less from date of investment and bank overdrafts.

(f) *Turnover*

There was no turnover during the year.

(g) *Revenue Recognition*

Provided it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably, revenue is recognised in the income statement as follows:

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

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

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

(h) Operating Leases

Leases where substantially all 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 income statement on a straight-line basis over the lease periods.

(i) Translation of Foreign Currencies

Transactions in foreign currencies during the year 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 income statement.

(j) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary difference can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

(k) Impairment of Assets

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 properties under construction, other properties and other fixed assets are impaired. If any such indicate exists, the recoverable amount of the assets 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 income statement 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.

Reversal of impairment loss recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. A reversal of an impairment loss is recognised as income immediately.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

(l) Provision

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligations.

(m) Contingent Liabilities and Contingent Assets

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 Company. It can also be a present obligation arising from past events that is not recognised 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 financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Company.

Contingent assets are not recognised but are disclosed in the notes to financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(n) Employee Benefits

i. Employee Leave Entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

ii. Profit Sharing and Bonus Plans

The expected cost of profit sharing and bonus payments are recognised as a liability when the Company has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for profit sharing and bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

iii. Retirement Benefits Scheme Contributions

The Company has participated in the Mandatory Provident Fund Scheme (the "Scheme") under the Mandatory Provident Fund Scheme Ordinance. The assets of the Scheme are held separately from those of the Company in an independently administered fund. The Scheme is generally funded by payments from employees and by the Company. The Company's contributions to the Scheme are expensed as incurred in accordance with the rules of the Scheme and are not reduced by contributions forfeited by those employees who leave the Scheme prior to vesting fully in the contributions.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES* *(Continued)*

(o) Related Parties Transactions

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 decision. Parties are also considered to be related if they are subject to common control or common significant influence. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(p) Segment Reporting

In accordance with the Company's internal financial reporting, the Company has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Unallocated costs represent corporate expenses. Segment assets consist primarily of intangible assets, fixed assets, inventories, receivables and operating cash, and mainly exclude investment in securities and investment properties. Segment liabilities comprise operating liabilities and exclude items such as taxation and certain corporate borrowings. Capital expenditure comprises additions to intangible assets and fixed assets, including additions resulting from acquisition through purchases of subsidiaries.

In respect of geographical segment reporting, sales are based on the country in which the customer is located. Total assets and capital expenditure are where the assets are located.

3. *TURNOVER AND OTHER REVENUE*

Turnover represents dividend received and receivable during the year. The amount of each significant category of revenue recognised during the year are as follows:

	2004 ***HK$'000***	2003 *HK$'000*
Turnover:		
Dividend income from investment in listed securities	–	100
Other Revenue:		
Other interest income	–	4
Sundry income	–	40
	–	44
Total revenue	–	144

4. *SEGMENT INFORMATION*

No business or geographical analysis of the Company's performance for the year as the Company did not have any turnover during the year and contributions to operating results of the Company are attributable to investment in Hong Kong listed and unlisted equity securities. In addition, the assets and liabilities are located and arose in Hong Kong respectively.

5. *LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION*

Loss on ordinary activities before taxation is stated after charging the following:

	2004 *HK$'000*	2003 *HK$'000*
Auditors' remuneration	**252**	120
Total staff costs, excluding directors' remuneration	**201**	321
Net unrealised holding loss on trading securities	**458**	7,529
Net realised loss on disposal of trading securities	**3,677**	1,004
Provision for diminution/impairment loss in value of investment securities *(Note 12)*	**1,100**	–

6. *TAXATION*

Current Taxation

No provision for Hong Kong profits tax has been made as the Company incurred a taxation loss for the year (2003: Nil).

	2004 *HK$'000*	2003 *HK$'000*
Deferred Taxation:		
Credit for the year	**–**	484

The credit for the year can be reconciled to the loss per the income statement as follows:

	2004 *HK$'000*	*%*	2003 *HK$'000*	*%*
Loss before taxation	**(7,442)**		(12,580)	
Tax at Hong Kong profit tax rate of 17.5% (2003: 17.5%)	**(1,302)**	**(17.5)**	(2,201)	(17.5)
Estimated tax effect on income that are not taxable in determining taxable profit	**–**	**–**	(18)	(0.1)
Estimated tax effect on expenses that are not deductible in determining taxable profit	**193**	**2.6**	–	–
Tax effect of unrecognised deductible temporary differences	**82**	**1.1**	304	2.4
Tax effect of unrecognised tax losses	**1,027**	**13.8**	1,431	11.4
Tax income and effective tax rate for the year	**–**	**–**	(484)	(3.8)

7. *NET LOSS ATTRIBUTABLE TO SHAREHOLDERS*

The loss attributable to shareholders is dealt with in the financial statements of the Company to the extent of the loss of HK$7,442,000 (2003: HK$12,096,000).

8. *DIVIDENDS*

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2004 (2003: Nil).

9. *LOSS PER SHARE*

The calculation of basic loss per share is based on the Company's net loss attributable to the shareholders of HK$7,442,000 (2003: HK$12,096,000) and the 50,000,000 (2003: 50,000,000) ordinary shares in issue during the year.

There were no dilutive potential shares during the years ended 31 December 2003 and 2004, therefore, no diluted loss per share has been presented.

10. *STAFF COSTS*

The aggregate amounts of emoluments payable to individuals employed by the Company during the year are as follows:

	2004	2003
	HK$'000	*HK$'000*
Salaries and allowances	**191**	246
Bonus	**–**	62
Contributions to retirement benefits scheme	**10**	13
	201	321

11. *DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS*

Directors' emoluments

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

	2004	2003
	HK$'000	*HK$'000*
Fees	**–**	–
Other emoluments:		
Basic salaries	**449**	1,250
Contributions to retirement benefits scheme	**18**	27
	467	1,277

Directors' basic salaries disclosed above included HK$63,548 (2003: HK$120,000) paid to independent non-executive directors.

During the year, the emoluments waived by a director of the Company amounted to HK$340,000. Other than that, there was no arrangement under which a director waived or agreed to waive any emoluments during the year.

The emoluments of the directors fell within the following bands:

	Number of directors	
	2004	2003
Emoluments band:		
Nil to HK$1,000,000	**9**	5

11. *DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)*

Five highest paid individuals

The five individuals whose emoluments were the highest in the Company for the year included three executive directors (2003: three) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2003: two) individuals during the year are as follows:

	2004	2003
	HK$'000	*HK$'000*
Salaries and allowances	**191**	246
Bonus	**–**	62
Contributions to retirement benefits scheme	**10**	13
	201	321

The emoluments fell within the following bands:

	Number of individuals	
	2004	2003
Emoluments band:		
Nil to HK$1,000,000	**2**	2

12. *INVESTMENT SECURITIES*

	2004	2003
	HK$'000	*HK$'000*
Unlisted, at cost	**5,000**	5,000
Less: Provision for diminution in value	**(1,100)**	–
	3,900	5,000
Reclassified as current assets	**(3,900)**	–
Non-current assets	**–**	5,000

Name of securities	**Place of incorporation and kind of legal entity**	**Number of shares held**	**Interest held** *(%)*	**Net assets attributable to the Company** *HK$'000*
Hong Xiang Petroleum International Holdings Limited ("Hong Xiang")	the British Virgin Islands, limited liability company	2,136,800 ordinary shares	1.95	3,900

As further disclosed in Note 21 to the financial statements, the Company's interests in Hong Xiang were subsequently disposed of after the year end date in exchange for four new investments. As at the date of approval of these financial statements, the disposal and the four exchange transactions have not yet been completed. The realisable value of Hong Xiang as at 31 December 2004 is dependent upon successful completion of the four transactions, the continuing financial support from the executive directors of the Company to facilitate the completions, and the fair values of the four new investments which the Company is to acquire. Provision for diminution in value of HK$1,100,000 (2003: Nil) has been made against the cost of the Company's investment in Hong Xiang for the year ended 31 December 2004 to reflect the value of the four new investments and the Company's investment in Hong Xiang has been reclassified as current assets as at 31 December 2004.

13. TRADING SECURITIES

	2004 HK$'000	2003 HK$'000
Equity securities:		
Listed in Hong Kong, at market value	**171**	6,675

The following is a list of the trading securities as at 31 December 2004:

Equity securities listed on the Stock Exchange of Hong Kong Limited

Name of equity securities	Place of incorporation and kind of legal entity	Number of shares held	Interest held (%)	Net assets attributable to the Company HK$'000	Cost of investment HK$'000	Market value HK$'000	Unrealised loss arising on revaluation HK$'000
i. Global Link Communications Holdings Limited ("Global Link")	the Cayman Islands, limited liability company	2,940,000 ordinary shares	0.45	45	933	112	(821)
ii. WLS Holdings Limited ("WLS")	the Cayman Islands, limited liability company	1,850,000 ordinary shares	0.40	179	273	59	(214)
					1,206	171	(1,035)

A brief description of the business and financial information of the above listed equity securities, based on their latest published annual reports or interim financial reports, is as follows:

i. Global Link is principally engaged in the research and development and provision of telecommunications software solutions for new telecommunications services and value-added telecommunications services as well as provision of other communication network solutions.

The unaudited net loss attributable to shareholders of Global Link for the nine months ended 31 December 2004 was HK$2,342,000 (2003: HK$8,878,000).

ii. WLS is principally engaged in the provision of scaffolding for construction and building works in Hong Kong.

The unaudited net loss attributable to shareholders of WLS for the nine months ended 31 January 2005 was HK$3,160,000 (2003: HK$2,290,000).

14. AMOUNTS DUE TO DIRECTORS

The amounts due to directors are unsecured, interest-free and repayable on demand.

15. AMOUNT DUE TO A RELATED COMPANY

The amount due to a related company was unsecured, interest-free and fully repaid during the year.

16. DEFERRED TAXATION

	2004 *HK$'000*	2003 *HK$'000*
Deferred tax liabilities at the beginning of the year	**–**	(484)
Credit to the income statement for the year	**–**	484
Deferred tax liabilities at the end of the year	**–**	–

Deferred taxation is calculated in full on temporary differences under the balance sheet liability method using a principal taxation rate of 17.5% (2003: 17.5%).

As at the balance sheet date, the Company has estimated tax losses of approximately HK$16,151,000 (2003: HK$9,176,000) and deductible temporary differences of approximately HK$4,970,000 (2003: HK$1,475,000) that are available indefinitely for offsetting against future taxable profits of the Company. Deferred tax assets have not been provided for due to the unpredictability of the future profit streams.

17. SHARE CAPITAL

	2004 *HK$'000*	2003 *HK$'000*
Authorised:		
200,000,000 ordinary shares of HK$0.01 each	**2,000**	2,000
Issued and fully paid:		
50,000,000 ordinary shares of HK$0.01 each	**500**	500

18. RESERVES

	Share premium *HK$'000*	**Retained profits/ (Accumulated losses)** *HK$'000*	**Total** *HK$'000*
At 31 December 2002	21,091	1,662	22,753
Loss for the year	–	(12,096)	(12,096)
At 31 December 2003	21,091	(10,434)	10,657
Loss for the year	–	(7,442)	(7,442)
At 31 December 2004	**21,091**	**(17,876)**	**3,215**

19. *NET ASSET VALUE PER SHARE*

The calculation of net asset value per share is based on the net assets of HK$3,715,000 (2003: HK$11,157,000) and the 50,000,000 (2003: 50,000,000) ordinary shares in issue as at 31 December 2004 and 31 December 2003.

20. *MATERIAL RELATED PARTY TRANSACTIONS*

During the year ended 31 December 2004, the Company had entered into transactions with related party which, in the opinion of the directors, were carried out on normal commercial terms and in the ordinary course of the Company's business.

Nature of related party relationship	**Nature of transactions**	**2004** *HK$'000*	2003 *HK$'000*
Company with common director:			
Hantec Asset Management Limited (“Hantec Asset”) *(Note (a))*	Investment management fee – paid	**207**	420
First Asia Finance Group Limited *(Note (b))*	Administration fee – paid	**73**	–

Notes: (a) Mr Tang Yu Lap, a former director of the Company, had beneficial interests in the related company.

(b) Mr Li Sze Tang had beneficial interest in the related company.

21. *SUBSEQUENT EVENTS*

(i) On 4 April 2005, the Company entered into a sale and purchase agreement (the “Bolton Agreement”) with an independent third party in which the Company acquired 3,000,000 shares in Bolton Group (International) Limited (“Bolton”) representing 4.6% of the total issued capital of Bolton, a listed company on the main board of the London Stock Exchange Limited. According to the Bolton Agreement, the total consideration of HK$1,290,000 has to be settled by payment of HK$800,000 in cash and transfer of 274,000 fully paid up shares of Hong Xiang Petroleum International Holdings Limited (the “Cash in Kind for Bolton”), the investment securities owned by the Company, or payment of HK$490,000 in cash. It was agreed that at the anniversary of one year from the date of the Bolton Agreement, if the independent third party desires to buy back the shares in Bolton from the Company, the Company agrees to sell back the shares in Bolton at the purchase price of HK$1,290,000 plus 10% premium. As at the date of this report, the Cash in Kind for Bolton has been transferred to the independent third party and cash consideration of HK$800,000 has not yet been paid. The transfer of 3,000,000 shares in Bolton has not yet completed.

(ii) On 18 April 2005, the Company entered into a sale and purchase agreement (the “Sinowich Agreement”) with an independent third party in which the Company acquired 6% interest in 哈爾濱東方（香港）食品有限公司, a foreign enterprise incorporated in the PRC. According to the Sinowich Agreement, the total consideration of HK$1,300,000 has to be settled by transfer of 712,000 fully paid up shares of Hong Xiang Petroleum International Holdings Limited (the “Cash in Kind for Sinowich”), the investment securities owned by the Company. As at the date of this report, the Cash in Kind for Sinowich has been transferred to the independent third party and the registration of the Company's interest in 哈爾濱東方（香港）食品有限公司 has not yet completed.

21. *SUBSEQUENT EVENTS (Continued)*

(iii) On 25 April 2005, the Company entered into a sale and purchase agreement (the "Netters Agreement") with Netters Land Management Limited ("Netters") in which the Company acquired 1,725 new shares of Netters to be issued under the Netters Agreement representing 15% of total outstanding shares of Netters, a company incorporated in Hong Kong with limited liability and principally engaged in the business of provision of trade services and internal consultancy on IT system, infrastructure and solutions. According to the Netters Agreement, the total consideration of HK$1,300,000 has to be settled by payment of HK$200,000 in cash by three instalments and transfer of 602,000 fully paid up shares of Hong Xiang Petroleum International Holdings Limited (the "Cash in Kind for Netters"), the investment securities owned by the Company. It was agreed that at the anniversary of one year from the date of the Netters Agreement, if Netters desires to buy back the shares in Netters from the Company, the Company agrees to sell back the shares in Netters at the total consideration plus 10% premium. As at the date of this report, the cash consideration of HK$100,000 has not yet been paid but the share certificate registered in the name of the Company has already been received by the Company.

(iv) On 25 April 2005, the Company entered into a sale and purchase agreement (the "Netx Agreement") with Netx Limited ("Netx") in which the Company acquired 1,725 new shares of Netx to be issued under the Netx Agreement representing 15% of total outstanding shares of Netx, a company incorporated in Hong Kong with limited liability and principally engaged in the business of service provider focusing on advertising through its developed network. According to the Netx Agreement, the total consideration of HK$1,300,000 has to be settled by payment of HK$300,000 in cash by three instalments and transfer of 548,800 fully paid up shares of Hong Xiang Petroleum International Holdings Limited (the "Cash in Kind for Netx"), the investment securities owned by the Company. It was agreed that at the anniversary of one year from the date of the Netx Agreement, if Netx desires to buy back the shares in Netx from the Company, the Company agrees to sell back the shares in Netx at the total consideration plus 10% premium. As at the date of this report, the cash consideration of HK$150,000 has not yet been paid but the share certificate registered in the name of the Company has already been received by the Company.

(v) On 21 March 2005, the Company entered into a subscription agreement with Mr Yim Sang in which Mr Yim Sang has conditionally agreed to subscribe for and the Company agreed to issue and allot 10,000,000 shares of HK$0.01 each in the capital of the Company at HK$0.188 per share in cash (the "Subscription Agreement"). For further details, please refer to the Company's announcement dated 23 March 2005. As at the date of this report, the completion of the Subscription Agreement is still pending for the approval from the Listing Committee of the Stock Exchange of Hong Kong Limited.

22. *AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS*

The financial statements were approved and authorised for issue by the Board of Directors on 20 May 2005.