

- (d) The Company entered into a Licence Agreement with FPFSL commencing from 1 April 2004 (the “Licence Agreement”) and will continue until the earlier of either the twenty months to 30 November 2005 or the date that the Principal Agreement being terminated. The Principal Agreement is the tenancy agreement made between FPFSL and the landlord dated 24 November 2003. The Licence Agreement can also be terminated at any time by either party serving not less than three months’ prior notice in writing. Pursuant to the Licence Agreement, FPFSL is entitled to receive monthly licence fee of HK\$12,000 for granting the Company the use of an office premises.

13. POST BALANCE SHEET EVENT

Pursuant to an announcement dated 20 October 2005, the Company had completed the fund raised by way of rights issue, in the proportion of five rights shares of every consolidated share (after completion of share consolidation) held and 20,050,000 shares were issued at HK\$0.20 per share. The net proceeds of approximately HK\$3.8 million were used as general working capital purpose.

BUSINESS REVIEW

During the period under review, the Group continued its on-going investment strategy that focuses on listed and unlisted investment opportunities in the People’s Republic of China, Hong Kong and Taiwan (collectively the “Greater China”). As at 30 September 2005, the investment portfolio of the Group consisted of listed securities in Hong Kong with a total market value of HK\$9,340,292 (31 March 2005: HK\$9,457,524).

The Group reported a net loss of HK\$2,421,609 for the period under review, comparing to the net loss of HK\$12,735,226 recorded for the corresponding period last year. Proceeds from sale of trading securities increased by approximately 20% to HK\$907,730 as compared with HK\$758,000 recorded last period.

Liquidity and Financial Resources

As at 30 September 2005, the Group had no borrowing and no credit facilities obtained from financial institutions. The Group had bank balances and cash on hand of approximately HK\$248,123 (31 March 2005: HK\$2,420,110), which was mainly placed in bank as call deposits. Since the Group has made no borrowing as at 30 September 2005, the calculation of gearing ratio was not applicable.

As all transactions of the Group during the period under review were conducted in Hong Kong and the reporting currency of its financial statements was Hong Kong Dollar, its exposure to fluctuations in exchange rates and any related hedges was minimal.

Capital Structure

Effective from 21 September 2005, the issued share capital of the Company were consolidated from 80,200,000 shares of HK\$0.01 each into 4,010,000 shares of HK\$0.20 each while the authorised share capital of the Company were consolidated from 2,000,000,000 shares of HK\$0.01 each into 100,000,000 shares of HK\$0.20 each.

Significant Investments

The investment portfolio of the Company only comprises of trading securities for the current period. As a whole, the portfolio was carefully managed and being fully diversified to minimize commercial risk resulting from over concentration of the investment of the Company in any single industry.

During the period under review, the investment portfolio of the Company mainly included investments in quoted securities of locally listed companies whose business principally focuses on property development and hotel operation in the Greater China, provision of wire-line telecommunications services, broad range of petroleum-related activities, the manufacture and sale of leather, production and sale of power generating equipment, distribution of frozen seafood products, designs, manufactures and distributes a wide range of infant and pre-school products, life insurance business, securities brokerage, commodities trading and corporate finance business, and provision of high-precision polishing technology, manufacture and sale of synthetic sapphire watch crystals and optoelectronic products and watches distribution, etc.

Material acquisition and disposal of subsidiary

No material acquisition or disposal of subsidiary during the current period.

Employees

As at 30 September 2005, the Company had retained three employees (2004: two employees). Total staff costs of the Company, excluding directors' remuneration, for the period under review amounted to approximately HK\$699,683 (2004: HK\$394,701). Staff remuneration packages were in line with the prevailing market practice and were determined on the basis of the performance and experience of individual employee.

Charges on assets

Throughout the six months period ended 30 September 2005, assets of the Company were free from any form of legal charge. In addition, the Company did not have any significant contingent liabilities.

Future developments

Expecting capital markets in the region to remain unstable in the second half of the year, the Company will exercise extreme caution in managing its investment portfolio so as to strive for the best long term interest of its shareholders.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the period under review, neither the Company nor its subsidiary had purchased, sold or redeemed any of the Company's shares.

CONTINUING CONNECTED TRANSACTIONS

The related party transactions disclosed in note 12(b) to the condensed consolidated financial statements constituted continuing connected transactions under the Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN EQUITY OR DEBT SECURITIES

As at 30 September 2005, the interests and short positions of the directors and chief executives in the ordinary shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (including interest which they are deemed or taken to have under such provisions of the SFO)), as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the model code for securities transaction by directors as set out in Appendix 10 of the Listing Rules (the "Model Code") were as follows:

Name of director	Nature of interest	Number of shares held	Approximate percentage of shareholding
Mr. POON Ho-man	Corporate	750,000	18.70%

Notes:

Mr. POON Ho-man, an executive director of the Company, is interested by virtue of his 100% interest in Planters Universal Limited, a company incorporated in the British Virgin Islands.

Save as disclosed above, none of the directors and chief executives had any interests in equity or debt securities of the Company or of any of its associated corporations which were required to be notified to the Company and the Stock Exchange as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notifiable to the Company and the Stock Exchange pursuant to the Model Code.