NOTES TO THE CONDENSED INTERIM ACCOUNTS

1. Basis of Preparation

These unaudited condensed consolidated interim accounts (the "Interim Accounts") have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

In preparing the Interim Accounts, the Directors have taken into account all information available and have ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. Under these circumstances, the Directors consider that it is proper to prepare the accounts on a going concern basis notwithstanding that at 30 September 2005, its current liabilities exceeded its current assets by HK$91,155,000.

The Interim Accounts should be read in conjunction with the annual accounts for the year ended 31 March 2005.

The accounting policies and methods of computation used in the preparation of the Interim Accounts are consistent with those used in the annual accounts for the year ended 31 March 2005 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRS") and Hong Kong Accounting Standards (collectively "new HKFRS") which are effective for accounting periods commencing on or after 1 January 2005.

The changes to the Group's accounting policies and the effect of adopting these new policies are set out in note 2 below.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

2. Changes in Accounting Policies

(a) *Effect of adopting new HKFRS*

With effect from 1 April 2004, the Group had early adopted HKFRS 3 "Business Combinations", HKAS 36 "Impairment of Assets" and HKAS 38 "Intangible Assets" in preparing the consolidated accounts for the year ended 31 March 2005. In 2005, the Group adopted the new HKFRS below, which are relevant to its operations. The comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings Per Share
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HK(SIC)-Int 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payments
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

The adoption of new/revised HKASs 1, 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 27, 33 and 37 do not result in substantial changes to the Group's accounting policies. In summary:

– HKAS 1 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures.

– HKASs 7, 8, 10, 12, 14, 16, 18, 19, 21, 23, 27, 33 and 37 have no material effect on the Group's accounting policies.

– HKAS 24 has affected the identification of related parties and some other related party disclosures.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

2. Changes in Accounting Policies *(Continued)*

(a) *Effect of adopting new HKFRS (Continued)*

The adoption of HKASs 32 and 39 has resulted in a change in accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets. In prior years, the other investments were stated at cost less accumulated impairment losses.

The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values are dealt with in the profit and loss account. In prior years, the increases in fair value were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the profit and loss account.

The adoption of revised HK(SIC)-Int 21 has resulted in a change in accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

The adoption of HKFRS 2 has resulted in a change in accounting policy for share-based payments. Until 31 December 2004, the provision of share options to employees did not result in an expense in the profit and loss account. Effective on 1 January 2005, the Group charged the cost of share options to the profit and loss account. As a transitional provision, the cost of share options granted after 7 November 2002 and had not yet vested on 1 January 2005 was expensed retrospectively in the profit and loss account of the respective periods (Note 2(b)(vi)).

The adoption of HKFRS 5 has resulted in a change in accounting policy for non-current assets (or disposal groups) held for sale and discontinued operations. The non-current assets (or disposal groups) held for sale were previously neither classified nor presented as current assets or liabilities. There was no difference in measurement for non-current assets (or disposal groups) held for sale or for continuing use. An operation is classified as discontinued when the criteria to be classified as “held for sale” have been met or the Group has disposed of the operation. The application of HKFRS 5 does not impact on the prior-year financial statements other than a change in the presentation of the results and cash flows of discontinued operations.

2. Changes in Accounting Policies *(Continued)*

(a) Effect of adopting new HKFRS (Continued)

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All the standards adopted by the Group require retrospective application other than:

– HKAS 39 – does not permit to recognise, derecognise and measure financial assets and liabilities in accordance with this standard on a retrospective basis. The Group applied the previous Statement of Standard Accounting Practice ("SSAP") 24 "Accounting for investments in securities" to investments in securities for the comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at 1 April 2005;

– HKFRS 2 – only retrospective application for all equity instruments granted after 7 November 2002 and not vested at 1 January 2005; and

– HKFRS 5 – prospectively after the adoption date.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

2. Changes in Accounting Policies *(Continued)*

(a) *Effect of adopting new HKFRS (Continued)*

The effect of the changes in the accounting policies on the results for the current and prior periods are as follows:

	Year ended 31 March 2005			Six months ended 30 September 2005				Six months ended 30 September 2004	
	HK(SIC) – Int 21	HKFRS 2	HKFRS 5	HKAS 32 and 39	HK(SIC) – Int 21	HKFRS 2	HKFRS 5	HK(SIC) – Int 21	HKFRS 5
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reclassified turnover to discontinued operation	–	–	(19,294)	–	–	–	(14,181)	–	(5,123)
Reclassified other revenues to discontinued operation	–	–	(263)	–	–	–	(24)	–	(12)
Reclassified staff cost, depreciation and other operating expenses to discontinued operations	–	–	39,845	–	–	–	20,294	–	10,540
Increase in staff cost, depreciation and other operating expenses	–	(191)	–	–	–	(1,728)	–	–	–
Fair value changes of financial assets at fair value through profit or loss	–	–	–	(11,354)	–	–	–	–	–
Reclassified as loss from discontinued operations	–	–	(20,288)	–	–	–	(6,089)	–	(5,405)
Increase in income tax expense	(5,865)	–	–	–	(394)	–	–	(395)	–
Decrease in profit/increase in loss for the period	(5,865)	(191)	–	(11,354)	(394)	(1,728)	–	(395)	–
Decrease in basic earnings per share (HK cents)	(1.71)	(0.06)	–	(2.37)	(0.08)	(0.36)	–	(0.12)	–

2. Changes in Accounting Policies *(Continued)*

(a) *Effect of adopting new HKFRS (Continued)*

The cumulative effects of the changes in the accounting policies on the consolidated balance sheet at 31 March 2005 and 1 April 2005 are as follows:

	At 31 March 2005 (Originally stated)	Effect of adoption of HKAS 1 and 40	Effect of adoption of HK(SIC)-Int 21	Effect of adoption of HKFRS 2	At 31 March 2005 (Restated)	Effect of adoption of HKAS 32 and 39	At 1 April 2005 (Restated)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Property, plant and equipment	391,315	(388,900)	–	–	2,415	–	2,415
Investment properties	–	388,900	–	–	388,900	–	388,900
Other investments	22,314	–	–	–	22,314	(22,314)	–
Financial assets at fair value through profit or loss	–	–	–	–	–	48,638	48,638
Long term receivables	5,123	–	–	–	5,123	(5,123)	–
Available-for-sale financial assets	–	–	–	–	–	5,123	5,123
Deferred income tax liabilities	–	–	(42,934)	–	(42,934)	–	(42,934)
Other net assets/(liabilities)	(149,572)	–	–	–	(149,572)	–	(149,572)
Minority interests	(65)	65	–	–	–	–	–
Total effect on net assets	269,115	65	(42,934)	–	226,246	26,324	252,570
Share capital	8,737	–	–	–	8,737	–	8,737
Retained earnings/ (accumulated losses)	37,625	–	(42,934)	(191)	(5,500)	26,324	20,824
Other reserves	222,753	–	–	191	222,944	–	222,944
Minority interests	–	65	–	–	65	–	65
Total effect on equity	269,115	65	(42,934)	–	226,246	26,324	252,570

No early adoption of the following new interpretation that has been issued but is not yet effective. The adoption of such interpretation will not result in substantial changes to the Group's accounting policies.

HKFRS-Int 4 Determining whether an Arrangement contains a Lease

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

2. Changes in Accounting Policies *(Continued)*

(b) New accounting policies

The accounting policies used for the condensed consolidated financial information for the six months ended 30 September 2005 are the same as those set out In Note 2 of the annual accounts for the year ended 31 March 2005 except for the following:

(i) Investment properties

Property that is held for long-term rental yields and/or for capital appreciation, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land classified as investment property; others, including contingent rent payments, are not recognised in the accounts.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

2. **Changes in Accounting Policies** *(Continued)*

(b) *New accounting policies (Continued)*

(i) Investment properties *(Continued)*

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the profit and loss account during the financial period in which they are incurred.

Changes in fair values are recognised in the profit and loss account.

(ii) Investments

From 1 April 2004 to 31 March 2005:

The Group classified its investments in securities, other than subsidiaries, associates and jointly controlled entities, as other investments.

(a) Other investments

Investments which were held for long term strategic purposes were stated at cost less accumulated impairment losses at the balance sheet date.

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

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

2. Changes in Accounting Policies *(Continued)*

(b) New accounting policies (Continued)

(ii) Investments *(Continued)*

From 1 April 2005 onwards:

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet (Note 2 (b)(iii)).

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity.

2. **Changes in Accounting Policies** *(Continued)*

(b) *New accounting policies (Continued)*

(ii) Investments *(Continued)*

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the profit and loss account in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit and loss account as gains or losses from investment securities.

The fair values of quoted investments are based on current quoted bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2. Changes in Accounting Policies *(Continued)*

(b) New accounting policies (Continued)

(ii) Investments *(Continued)*

If the available-for-sale financial asset is unlisted financial asset whose fair value cannot be reliably measured by valuation techniques because (1) the variability in the range of reasonable fair value estimates is significant for that investment, and/or (2) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, then such financial assets are stated at cost less accumulated impairment losses.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit and loss account – is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

(iii) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss account.

(iv) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction than through a continuing use.

2. Changes in Accounting Policies *(Continued)*

(b) New accounting policies (Continued)

(v) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(vi) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

3. Segment information

(a) *Primary reporting format – business segments*

The Group is organised into two main business segments:

Property investments
Technology related services

There are no sales or other transactions between business segments.

	For the six months ended 30 September 2005					
	Property investments		Technology related services		Total	
	Continuing	Discontinued	Continuing	Discontinued	Continuing	Discontinued
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	10,236	177	–	14,004	10,236	14,181
Segment results	8,089	156	–	(6,335)	8,089	(6,179)
Unallocated corporate (expenses)/income					(10,504)	66
Unallocated operating income/(expenses)						
– Other revenues					952	24
– Fair value loss – financial assets at fair value through profit or loss					(11,354)	–
Operating loss					(12,817)	(6,089)
Finance costs					(3,851)	–
Loss before income tax					(16,668)	(6,089)
Income tax expense					(394)	–
Loss for the period					(17,062)	(6,089)
Depreciation	–	–	–	552	–	552
Unallocated depreciation					96	–
					96	552
Capital expenditure	–	–	–	1,211	–	1,211
Unallocated capital expenditure					37	–
					37	1,211

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

3. Segment information *(Continued)*

(a) *Primary reporting format – business segments (Continued)*

	For the six months ended 30 September 2004					
	Property investments		Technology related services		Total	
	Continuing	Discontinued	Continuing	Discontinued	Continuing	Discontinued
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	9,013	174	–	4,949	9,013	5,123
Segment results	5,937	120	(440)	(5,550)	5,497	(5,430)
Unallocated corporate (expenses)/income					(4,210)	13
Unallocated operating income						
– Other revenues					1,028	12
– Reversal of impairment losses of other investments, net					956	–
Operating profit/(loss)					3,271	(5,405)
Finance costs					(1,552)	–
Profit/(loss) before income tax					1,719	(5,405)
Income tax expense					(395)	–
Profit/(loss) for the period					1,324	(5,405)
Depreciation	–	–	–	332	–	332
Unallocated depreciation					111	–
					111	332
Amortisation of intangible assets	–	–	–	202	–	202
Impairment loss of intangible assets	–	–	–	2,928	–	2,928
Capital expenditure	–	–	–	427	–	427

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

3. Segment information *(Continued)*

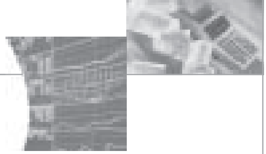
(a) Primary reporting format – business segments (Continued)

The segment assets and liabilities at 30 September 2005 are as follows:

	Property investments *HK$'000*	**Technology related services** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Assets				
– Continuing operations	398,313	–	80,648	478,961
– Discontinued operations	3,980	13,474	–	17,454
	402,293	13,474	80,648	496,415
Liabilities				
– Continuing operations	47,368	–	196,397	243,765
– Discontinued operations	79	7,882	206	8,167
	47,447	7,882	196,603	251,932

The segment assets and liabilities at 31 March 2005 are as follows:

	Property investments *HK$'000*	**Technology related services** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Assets	399,743	17,554	60,497	477,794
Liabilities (Restated)	46,635	10,818	194,095	251,548



NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

3. **Segment information** *(Continued)*

(b) *Secondary reporting format – geographical segments*

The Group's two business segments are operating in two main geographical areas:

Hong Kong: Property investments and the provision of technology related services

Mainland China: Provision of technology related services

There are no sales or other transactions between geographical segments.

		For the six months ended 30 September			
		Turnover		**Capital Expenditure**	
		2005	2004	**2005**	2004
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	– Continuing	**10,236**	9,013	**37**	–
Mainland China	– Discontinued	**14,181**	5,123	**1,211**	427
		24,417	14,136	**1,248**	427

		30 September 2005	31 March 2005
		HK$'000	*HK$'000*
Total assets			
Hong Kong	– Continuing	**478,908**	456,483
	– Discontinued	**425**	–
Mainland China	– Continuing	**53**	21,311
	– Discontinued	**17,029**	–
		496,415	477,794

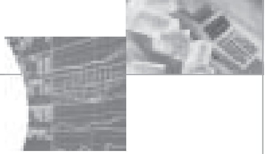
NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

4. **Discontinued operations**

The assets and liabilities related to New World CyberBase Solutions (BVI) Limited ("NWCBVI") and its subsidiaries (collectively the "NWCBVI Group") have been presented as held for sale following the approval from the Directors on 12 September 2005 to sell the Group's entire interest in the NWCBVI Group and the interest-free shareholder's loan owing from the NWCBVI Group to New World Mobile Holdings Limited ("NWM") for an aggregate consideration of HK$21 million (the "Transaction"). The Transaction has been approved by the independent shareholders at the Special General Meeting on 18 October 2005 and completed on 21 October 2005.

An analysis of the result and cash flows of discontinued operations is as follows:

	Six months ended 30 September	
	2005	2004
	HK$'000	*HK$'000*
Turnover	**14,181**	5,123
Other revenues	**24**	12
Staff cost, depreciation and other operating expenses	**(20,294)**	(10,540)
Loss before income tax	**(6,089)**	(5,405)
Income tax expenses	**–**	–
Loss for the period	**(6,089)**	(5,405)
Net cash (used in)/generated from operating activities	**(4,095)**	12,084
Net cash used in investing activities	**(1,179)**	(391)
Total net cash (outflow)/inflow	**(5,274)**	11,693



NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

4. Discontinued operations *(Continued)*

Assets of disposal group classified as held for sale:

	30 September 2005	31 March 2005
	HK$'000	*HK$'000*
Property, plant and equipment	**2,693**	–
Investment properties	**3,900**	–
Accounts receivable	**3,079**	–
Other receivables, prepayments and deposits	**2,146**	–
Cash and bank balances *(Note 14)*	**5,636**	–
	17,454	–

Liabilities directly associated with assets of disposal group classified as held for sale:

	30 September 2005	31 March 2005
	HK$'000	*HK$'000*
Creditors and accruals	**8,167**	–

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

5. Operating (loss)/profit

Operating (loss)/profit is stated after crediting and charging the following:

	Six months ended 30 September	
	2005	2004
	HK$'000	*HK$'000*
Crediting		
Gross rental income and management fee from investment properties	**10,236**	9,013
Charging		
Depreciation	**96**	111
Operating lease rentals in respect of land and buildings	**219**	106
Direct outgoings in respect of investment properties	**1,676**	1,760
Provision for doubtful debt	**–**	1,100
Provision for amount due from an associated company	**1,112**	–
Share-based compensation expense	**1,728**	–
Staff costs	**2,200**	2,385

6. Taxation

Hong Kong profits tax and overseas profits tax have not been provided for as the Group has no estimated assessable profit for the period (2004: Nil).

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

	Six months ended 30 September	
	2005	2004
	HK$'000	*HK$'000*
Current income tax	**–**	–
Deferred income tax	**394**	395
	394	395

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

7. Loss/(profit) per share

The calculation of basic and diluted (loss)/profit per share from continuing operations attributable to the equity holders of the Company during the period is based on the loss from continuing operations attributable to the equity holders of the Company (net of minority interests) of HK$17,055,000 (2004: profit of HK$1,348,000). The calculation of basic and diluted loss per share from discontinued operations attributable to the equity holders of the Company during the period is based on the loss from discontinued operations attributable to the equity holders of the Company of HK$6,089,000 (2004: loss of HK$5,405,000).

The basic loss/(profit) per share is based on the weighted average number of 479,658,972 (2004: 334,679,786) shares in issue during the period. The weighted average number of shares in 2004 is adjusted to reflect the changes in the number of ordinary shares as a result of the capital reorganisation and the rights issue of the Company during last year.

The diluted loss per share for the six months ended 30 September 2005 is based on 479,658,972 shares which is the weighted average number of shares in issue during the period plus the weighted average number of 5,781,717 shares deemed to be issued at nil consideration if all the outstanding options with dilutive effect had been exercised.

No diluted loss/(profit) per share is presented for the six months ended 30 September 2004 as the exercise prices of the outstanding share options and subscription options were greater than the average market price of the Company's shares during that period. There was no dilutive effect on the basic loss/(profit) per share.

8. Capital expenditure

	Investment properties *HK$'000*	**Property, plant and equipments** *HK$'000*
Opening net book value as at 1 April 2005	388,900	2,415
Additions	–	1,248
Depreciation	–	(648)
Reclassification to assets of disposal group classified as held for sale *(Note 4)*	(3,900)	(2,693)
Closing net book value as at 30 September 2005	385,000	322
Opening net book value as at 1 April 2004	356,000	5,310
Additions	–	427
Transfer from other properties to investment properties	3,346	(3,346)
Depreciation	–	(443)
Closing net book value as at 30 September 2004	359,346	1,948

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

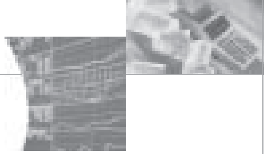
9. Associated companies

	30 September 2005	31 March 2005
	HK$'000	*HK$'000*
Share of net assets *(Note a)*	**–**	–
Amounts due from associated companies *(Note b)*	**40,143**	39,031
Less: Provision	**(40,143)**	(39,031)
	–	–
Total	**–**	–

Note:

(a) The Group's share of net assets of the associated companies represents the Group's cost of investments plus its share of post-acquisition results and revenues in the associated companies. Under the equity method of accounting, the Group's share of losses of the associated companies is restricted to the cost of investment. At 30 September 2005, the Group's share of the associated companies' losses exceeded its cost of investment. Accordingly, share of net assets of associated companies is reported at nil value.

(b) The amounts due from associated companies are unsecured, interest free and repayable on demand.



NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

10. Other investments

	31 March 2005 HK$'000
Listed investments in Hong Kong, at cost	49,264
Less: Provision	(27,765)
	21,499
Unlisted investments, at cost	255,268
Less: Provision	(254,453)
	815
Loans to investee companies	1,749
Less: Provision	(1,749)
	–
Total	22,314

11. Financial assets at fair value through profit or loss

	30 September 2005 HK$'000
Listed equity securities – Hong Kong	36,784
Unlisted investments	500
	37,284

12. Available-for-sale financial assets

	30 September 2005 HK$'000
Sales proceeds from disposal of investment in Draper Fisher Jurvetson ePlanet Ventures L.P. ("DFJ")	23,663
Less: Impairment	(18,540)
Balance at 1 April 2005 and 30 September 2005	5,123

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

12. Available-for-sale financial assets *(Continued)*

The balance is re-designated from long term receivable on 1 April 2005 in accordance with HKAS 39. The financial asset is unlisted financial asset whose fair value cannot be reliably measured by valuation techniques and the proceeds to be received by the Group are determined by the lower of sales proceeds of $23,663,000 and actual sales proceeds of the portfolio realised by the manager of DFJ upon its dissolution in December 2009.

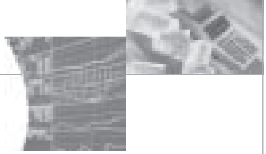
13. Trade receivables

The Group's credit terms on provision of services range from 30 to 90 days. The ageing analysis of trade receivables is as follows:

	30 September 2005	31 March 2005
	HK$'000	*HK$'000*
Current to 30 days	**439**	2,095
31 to 60 days	**351**	1,315
61 to 90 days	**365**	1,245
Over 90 days	**615**	531
	1,770	5,186

14. Cash and bank balances

As at 30 September 2005, bank balances of certain subsidiaries of the Group in the amount of approximately HK$770,000 (31 March 2005: HK$540,000), which is reclassified as assets of disposal group classified as held for sale at 30 September 2005, has been frozen under PRC court order in relation to the Group's contingent liabilities as detailed in Note 18.



NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

15. Creditors, deposits and accruals

Included in the Group's creditors, deposit and accruals were trade payables and their ageing analysis was as follows:

	30 September 2005	31 March 2005
	HK$'000	*HK$'000*
Current to 30 days	**453**	2,142
31 to 60 days	**8**	6
61 to 90 days	**–**	–
Over 90 days	**152**	384
	613	2,532

16. Borrowings

	Note	**30 September 2005**	31 March 2005
	Note	***HK$'000***	*HK$'000*
Current			
Bank loan, secured	*(i)*	**134,439**	134,439
Other loan, unsecured	*(ii)*	**–**	48,763
		134,439	183,202
Non-current			
Other loan, unsecured	*(ii)*	**48,763**	–
Total		**183,202**	183,202

(i) Secured bank loan, which carries Interest at 1% (31 March 2005: 1.25%) over Hong Kong Interbank Offer Rate ("HIBOR"), was secured by the Group's investment properties with carrying value amounted to HK$385 million and a corporate guarantee provided by the Company. A director of the Company also provides a personal guarantee to the bank to the extent of all outstanding interest in connection with the loan.

(ii) Other loan represents a loan obtained from a wholly-owned subsidiary of a former substantial shareholder of the Company. The loan carries interest at 2% (31 March 2005: 2%) over HIBOR with maturity date originally on 31 March 2006, which is extended to 30 June 2007 during the period.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

17. Share capital

(a) Authorised and issued share capital

	30 September 2005	31 March 2005
	HK$'000	*HK$'000*
Authorised:		
15,000,000,000 ordinary shares of HK$0.02 each	**300,000**	300,000

	Note	**Number of ordinary shares at HK$0.02 each**	*HK$'000*
Issued and fully paid:			
Balance at 1 April 2004		5,824,961,161	116,499
Capital reorganisation	*(i)*	(5,533,713,103)	(110,674)
Issue of shares	*(ii)*	145,624,029	2,912
Balance at 31 March 2005		436,872,087	8,737
Issue of shares	*(iii)*	58,000,000	1,160
Balance at 30 September 2005		494,872,087	9,897

Notes:

(i) On 23 August 2004, the following resolutions approving the capital reorganisation were duly passed at a special general meeting of the Company:

(a) the nominal value of each of the 5,824,961,161 then issued ordinary shares of the Company was reduced by HK$0.019, from HK$0.02 to HK$0.001, whereby the Company's then issued share capital of HK$116,499,223 was reduced by HK$110,674,262 to HK$5,824,961 (the "Capital Reduction");

(b) the credit in the amount of HK$110,674,262 arising from the Capital Reduction was credited to the contributed surplus account of the Company;

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

17. Share capital *(Continued)*

(a) *Authorised and issued share capital (Continued)*

Notes: (Continued)

(c) every 20 then issued shares of HK$0.001 each were consolidated into one new share of HK$0.02 each (the "Share Consolidation"). On such basis, there were 291,248,058 shares of HK$0.02 each in issue;

(d) a total amount of HK$1,718,243,805 standing to the credit of the share premium account of the Company was cancelled and transferred to the contributed surplus account of the Company; and

(e) a total amount of HK$2,669,972,843 in the contributed surplus account was applied to set off against the accumulated losses of the Company.

(ii) On 9 March 2005, the Company completed a rights issue of 145,624,029 shares at a subscription price of HK$0.2 per share. Accordingly, 145,624,029 shares of HK$0.02 each were issued at a premium of HK$0.18 each. The premium on issue of shares of approximately HK$26,212,000 was credited to the share premium account. These new shares rank pari passu in all respect with the existing shares.

(iii) On 19 May 2005, the Company completed a placing of 58,000,000 shares at a subscription price of HK$0.24 per share. Accordingly, 58,000,000 shares of HK$0.02 each were issued at a premium of HK$0.22 each. The premium on issue of shares of approximately HK$12,760,000 was credited to the share premium account. These new shares rank pari passu in all respect with the existing shares.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

17. Share capital *(Continued)*

(b) Share options

Movements of share options granted to directors and employees under the share option schemes of the Company during the period and their weighted average exercise prices are as follows:

	30 September 2005		31 March 2005	
	Weighted average exercise price per share *HK$*	**Number of share options**	Weighted average exercise price per share *HK$*	Number of share options
At beginning of the period/year	**0.2742**	**19,031,400**	0.0594	60,258,000
Granted	**–**	**–**	0.2900	10,635,000
Capital reorganisaton adjustment	**–**	**–**	N/A	(42,221,800)
Rights issue adjustment	**–**	**–**	N/A	6,343,800
Lapsed	**0.1933**	**(1,147,500)**	0.0801	(15,983,600)
At end of the period/year	**0.2794**	**17,883,900**	0.2742	19,031,400

Share options outstanding at the end of the period have the following exercise period and exercise price:

			Number of shares subject to options	
Date of grant	**Exercise price** *HK$*	**Exercise period**	**30 September 2005**	31 March 2005
17-04-2002	0.6933	17-04-2002 to 16-04-2009	**3,078,900**	3,078,900
01-03-2005	0.1933	01-03-2005 to 28-02-2012	**14,805,000**	15,952,500
			17,883,900	19,031,400

The fair value of options granted on 1 March 2005 and upon the completion of the rights issue on 9 March 2005 determined using the Binominal valuation model was HK$1,215,115 and HK$2,240,240 respectively. The significant inputs into the model were share price of HK$0.29, at the grant date and at 9 March 2005, exercise price of the option, standard deviation of expected share price returns of 70%, expected life of options of 7 years from 1 March 2005 and annual risk-free interests rate of 3.9%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last 6 months before date of grant.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

18. Contingent liabilities

(a) In March 2004, a PRC government institute filed a claim to the PRC court against the Company and certain of its subsidiaries for the infringement of rights to derive benefits from using the city mapping information contents in the PRC and has claimed against the Group for an aggregate amount of RMB5 million and an injunction for further usage of such information. By order issued by the respective PRC court, the Group is required to freeze its asset value to the extent of RMB5 million in connection with the above claim. As at 30 September 2005, the court has taken action to freeze certain bank balances of certain subsidiaries of the Group in the amount of approximately RMB801,000 (equivalent to approximately HK$770,000) only. The litigation is still in progress as at 30 September 2005. The directors considered that such court order will not materially and adversely affect the financial position or operating results of the Group. The directors had consulted the lawyers in the PRC who considered that these claims were without merits. Accordingly, no provision has been made in the accounts for the period ended 30 September 2005.

(b) A subsidiary of the Company has granted a guarantee of approximately RMB0.9 million (equivalent to approximately HK$0.9 million) to an associated company for carrying out its litigation proceedings against its debtors by way of lien on a property of this subsidiary to the relevant PRC court. This property is situated at Beijing in the PRC with a carrying value of approximately HK$3.9 million as at 30 September 2005.

19. Related party transactions

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

(a) Transactions with associated companies

		Six months ended 30 September	
		2005	2004
	Note	***HK$'000***	*HK$'000*
Technical service fee receivable from a subsidiary of Asia V-Sat Co., Ltd. ("AVSAT"), an associated company	*(i)*	**603**	516
Advance to certain subsidiaries of AVSAT	*(ii)*	**509**	–

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

19. Related party transactions *(Continued)*

(a) Transactions with associated companies (Continued)

(i) Technical service fee was charged to a subsidiary of AVSAT for the provision of project management services and technical consultancy services in connection of the call centre operations, which is based on 50% of the contract amounts entered into between the associated company and the external customers at mutually agreed terms. The amounts have been reclassified to the results of discontinued operations under HKFRS 5.

(ii) Advance to certain subsidiaries of AVSAT was made for working capital purposes.

(b) Transaction with related companies with common director

		Six months ended 30 September	
		2005	2004
	Note	***HK$'000***	*HK$'000*
Reimbursement of rental and office administrative expenses from a subsidiary of International Entertainment Corporation ("IEC"), a related company with common director	*(i)*	**240**	241
Interest income from certain subsidiaries of IEC	*(ii)*	**237**	219

(i) The reimbursement of rental expenses from IEC for sharing the Group's office premises and utilities were calculated in proportion to the office space occupied. Administrative expenses were charged on actual cost basis taking into account the headcount and/or office space occupied.

(ii) The interest income was charged on loans granted on certain subsidiaries of IEC at mutually agreed terms.

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

19. Related party transactions *(Continued)*

(c) *Key management personnel compensation*

	Six months ended 30 September 2005 HK$'000	2004 HK$'000
Basic salaries, housing allowances, other allowances and benefits in kind	**3,298**	2,794
Employee share option benefits	**628**	–
Contributions to pension schemes	**73**	67
	3,999	2,861

(d) *Amounts due from related parties*

	30 September 2005 HK$'000	31 March 2005 HK$'000
Amounts due from related companies with common director	**9,400**	8,468

20. Subsequent events

(a) Pursuant to the conditional sales and purchase agreement entered into between the Company and NWM on 12 September 2005, the Company is to dispose of its entire interest in the NWCBVI Group and the interest-free shareholder's loan owing from the NWCBVI Group to NWM for an aggregate consideration of HK$21 million. The consideration would be satisfied by the issue of 16,153,846 ordinary shares of NWM at an issued price of HK$1.3 per share. The Transaction has been approved by the independent shareholders at the Special General Meeting on 18 October 2005.

(b) On 14 November 2005, the Directors made a public announcement disclosing the following proposed transactions (the "Proposed Transactions"):

(i) Proposed acquisition of a G450 aircraft by Everbest Business Limited, a company owned equally by each of Beaubourg Holdings Inc. ("Beaubourg") (an indirect wholly-owned subsidiary of the Company) and C Jet Limited ("C Jet"), from Gulfstream Aerospace Corporation, an independent third party, pursuant to the sale and purchase agreement entered on 9 November 2005 at a total consideration of US$31.15 million (equivalent to approximately HK$243.0 million), which will be contributed equally by each of Beaubourg and C Jet;

NOTES TO THE CONDENSED INTERIM ACCOUNTS *(Continued)*

20. Subsequent events *(Continued)*

(ii) Proposed acquisition of a G200 Aircraft by Glory Key Investments Ltd. (an indirect wholly-owned subsidiary of the Company) from Sky Jet International Group Limited, an independent third party, pursuant to the sale and purchase agreement entered on 11 November 2005 at a consideration US$18.5 million (equivalent to approximately HK$144.3 million);

(iii) Proposed rights issue of not less than 989,744,174 rights shares and not more than 1,033,026,974 rights shares at a price of HK$0.15 per rights share on the basis of two rights shares for every existing shares with the estimated net proceeds of approximately HK$148.5 million before expenses;

(iv) Proposed placing of convertible notes with principal amount of not less than HK$100 million and not more than HK$200 million to independent third parties pursuant to the convertible notes placing agreement with Tai Fook Securities Company Limited on 11 November 2005; and

The Proposed Transactions are subjected to fulfilment of certain conditions and the approval from shareholders of the Company.