

20. AVAILABLE-FOR-SALE INVESTMENT

	Group	
	2005 HK\$'000	2004 HK\$'000
Unlisted shares, at cost	25,239	–

On 13 July 2005, Top Region Assets Limited, a wholly-owned subsidiary, entered into an agreement with two independent third parties for the acquisition of 8.13% interest in the issued share capital of Triumph Up Investments Limited, a company incorporated in the British Virgin Islands, at a consideration of HK\$22,800,000. Including the acquisition expenses, the total investment cost was approximately HK\$25,239,000.

21. INVESTMENT SECURITIES

	Group	
	2005 HK\$'000	2004 HK\$'000
Unlisted shares, at cost	–	971
Due from the investee company	–	2,500
	–	3,471

The amount due from investee company was unsecured, interest free, and had no fixed terms of repayment.

On 13 January 2004, World Fortune Limited (“World Fortune”), a wholly-owned subsidiary, subscribed 10% shares of Pier 16 – Property Development Limited (“Pier 16 – Property Development”), a company incorporated in Macau, for a consideration of MOP1,000,000 (equivalent to approximately HK\$971,000).

On 18 November 2004 and 5 July 2005, World Fortune further acquired 14.5% and 12.25% issued share capital of Pier 16 – Property Development for a consideration of MOP1,450,000 (equivalent to approximately HK\$1,408,000) and HK\$98,000,000 respectively. The interest in Pier 16 – Property Development increased to 36.75% and was classified as an associate of the Group during the year under review.

22. INTEREST IN ASSOCIATES

	Group	
	2005 HK\$'000	2004 HK\$'000
Share of net assets	284,124	–
Goodwill	4,581	–
Amounts due from associates	50,337	–
	339,042	–

The amounts due from associates are unsecured, interest free and have no fixed terms of repayment.

22. INTEREST IN ASSOCIATES (Continued)

Particulars of the associates as at 30 September 2005 are as follows:

Name of company	Attributable interest to the Group		Place of incorporation and operations	Nominal value of issued share capital	Principal activities
	Direct %	Indirect %			
Pier 16 – Property Development Limited	–	36.75	Macau	MOP10,000,000	Investment, development and operation of an integrated hotel resort project “Ponte 16”
Pier 16 – Management Limited	–	36.75	Macau	MOP25,000	Provision of management services for development of an integrated hotel resort project “Ponte 16”

The following is a summary of aggregate amounts of assets, liabilities, revenues and results of the Group’s associates:

	2005 HK\$’000	2004 HK\$’000
Assets	926,420	–
Liabilities	153,238	–
Revenues	327	–
Profits	2	–

23. LOAN RECEIVABLE

	Group	
	2005 HK\$’000	2004 HK\$’000
Loan receivable	51,562	–

The loan receivable is due from King Seiner Palace Promotor De Jogos, Limitada (the “Borrower”), which is owned by the related parties Mr. Yeung Hoi Sing, Sonny (“Mr. Yeung”), Mr. Chan Hon Keung (“Mr. Chan”) and an independent third party. The loan is secured by the guarantee from Mr. Yeung and Mr. Chan and repayable in full on or before 5 August 2010. The interest payable on the loan was the higher of (i) 20% per annum; and (ii) the amount equivalent to 18% of the net profit of the Borrower before all interest payments on the loan for the latest financial year of the Borrower as shown in the audited financial statements of the Borrower.

24. INVENTORY

	Group	
	2005 HK\$'000	2004 HK\$'000
Fuel oil	1,181	1,214

There is no inventory stated at net realisable value.

25. TRADE RECEIVABLES

The Group normally allows a credit period of 30 days (2004: 30 days). An analysis of trade receivables is as follows:

	Group	
	2005 HK\$'000	2004 HK\$'000
Current to 30 days	1,584	1,454
31 to 60 days	11	45
61 to 90 days	13	2
Over 90 days	16	1
	1,624	1,502

26. TRADE PAYABLES

An aged analysis of trade payables is as follows:

	Group	
	2005 HK\$'000	2004 HK\$'000
Current to 30 days	137	136
31 – 60 days	5	–
61 – 90 days	–	–
Over 90 days	14	–
	156	136

27. OTHER BORROWINGS

	Group	
	2005 HK\$'000	2004 HK\$'000
Other loan Repayable within one year	–	1,652

The other loan was unsecured, bearing interest at 2% per annum and was fully settled during the year under review.

28. LOANS FROM MINORITY SHAREHOLDERS

The loans are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the directors, the loans will not be repaid within the next twelve months.

29. DEFERRED TAX ASSETS/LIABILITIES

(a) *Recognised deferred tax (assets)/liabilities*

The movements of deferred tax (assets)/liabilities during the year are as follows:

	Group	
	Accelerated depreciation	
	2005 HK\$'000	2004 HK\$'000
At 1 October	–	(32)
Charged to the income statement	–	(39)
Disposal of a subsidiary	–	71
At 30 September	–	–

(b) *Unrecognised deferred tax assets*

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through utilisation against future taxable profits is probable. At 30 September 2005, the Group had tax losses of approximately HK\$60 million (2004: HK\$46 million) that are available to carry forward indefinitely for offsetting against future taxable profits.

30. ISSUED CAPITAL

	Notes	2005		2004	
		Number of shares '000	Nominal value HK\$'000	Number of shares '000	Nominal value HK\$'000
Authorised:					
At 1 October		10,000	100	–	–
Authorised shares on incorporation	(a)	–	–	10,000	100
Increased on authorised shares	(b)	159,990,000	1,599,900	159,990,000	1,599,900
At 30 September		160,000,000	1,600,000	160,000,000	1,600,000
Issued and fully paid:					
At 1 October		–	–	1,490,264	14,903
Shares placement		–	–	97,200	972
Cancellation of the shares of MSHK	(c)(e)	–	–	(1,587,464)	(15,875)
Shares issued to shareholders of MSHK as consideration for cancellation of shares of MSHK	(c)(e)	1,587,464	15,875	1,587,464	15,875
Shares placement	(d)	317,000	3,170	–	–
At 30 September		1,904,464	19,045	1,587,464	15,875

The change in the authorised and issued share capital of the Company which took place during the period from 27 May 2004 (date of incorporation) to 30 September 2005 was as follows:

- (a) On incorporation, the authorised share capital of the Company was HK\$100,000 divided into 10,000,000 shares of HK\$0.01 each, all of which were issued and allotted nil paid on 18 June 2004.
- (b) On 8 November 2004, the authorised share capital of the Company was increased from HK\$100,000 to HK\$1,600,000,000 by the creation of a further 159,990,000,000 shares of HK\$0.01 each, ranking pari passu with the existing share capital of the Company.
- (c) On 8 November 2004, as part of the Group Reorganisation, the Company issued an aggregate of 1,577,464,233 shares of HK\$0.01 each, credited as fully paid and transfer of 10,000,000 shares of HK\$0.01 each, also credited as fully-paid by MSHK to the shareholders of MSHK in consideration for the cancellation of the shares of MSHK.
- (d) On 10 November 2004, the Company entered into a top-up subscription agreement (the “Subscription Agreement”) with its major shareholder. Pursuant to the Subscription Agreement, the major shareholder agreed to subscribe 317,000,000 new shares of the Company of HK\$0.01 each at HK\$1.28 per share. On 23 November 2004, the Company issued and allotted 317,000,000 new shares for a total consideration of HK\$405,760,000 before expenses to the major shareholder.

30. ISSUED CAPITAL (Continued)

- (e) For the purpose of preparing the financial statements of the Group as described in note 2 to the financial statements, an aggregate of 1,587,464,233 shares of HK\$0.01 each issued to the shareholders of MSHK in consideration for the cancellation of the shares of MSHK pursuant to the Group Reorganisation were included in the comparative figures as if the current group structure has been in existence since that date.

31. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Option Scheme include the Company's directors and other employees of the Group. The Option Scheme became effective on 8 November 2004 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Under the Option Scheme, the directors of the Company are authorised at their absolute discretion, to invite any employee, executive or officer of any member of the Group or any entity in which the Group holds any equity interest (including the executive and non-executive directors) and any vendor, supplier, consultant, agent, adviser or customer who is eligible to participate in the Option Scheme, to take up options to subscribe for shares in the Company.

The maximum number of shares which may be issued upon exercise of all options to be granted under the Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10 per cent. of the total number of shares in issue as at the date of adoption of the Option Scheme.

The Company may seek approval of the shareholders in general meeting for refreshing the 10 per cent. limit under the Option Scheme save that the total number of shares which may be issued upon exercise of all options to be granted under the Option Scheme and any other share option schemes of the Company under the limit as "refreshed" shall not exceed 10 per cent. of the total number of shares in issue as at the date of approval of the limit. Options previously granted under the Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the other scheme(s) or exercised options) will not be counted for the purpose of calculating the limit as "refreshed".

Notwithstanding aforesaid in this paragraph, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Option Scheme and any other share option schemes of the Company must not exceed 30 per cent. of the total number of shares in issue from time to time.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1 per cent. of the total number of shares in issue.

The exercise price in respect of any particular option shall be such price as determined by the board in its absolute discretion at the time of the making of the offer but in any case the exercise price shall not be less than the highest of (i) the official closing price of the shares as stated in the daily quotation sheets of the Stock Exchange on the offer date; (ii) the average of the official closing price of the shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the offer date; and (iii) the nominal value of a share.

31. SHARE OPTION SCHEME (Continued)

The offer of a grant of share options must be accepted not later than 28 days after the date of the offer, upon payment of a consideration of HK\$1 by the grantee. The exercise period of the share options granted is determined by the board of directors, save that such period shall not be more than a period of ten years from the date upon which the share options are granted or deemed to be granted and accepted.

As at the balance sheet date, no share options have been granted under the Option Scheme since its adoption.

32. RESERVES

Group

	Attributable to equity holders of the Company							
	Share premium HK\$'000	Distributable reserve HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 October 2003								
– as previously reported	374,500	–	976	–	(361,112)	14,364	1,118	15,482
– effect on adoption of revised SSAP 12	–	–	–	–	20	20	–	20
– as restated	374,500	–	976	–	(361,092)	14,384	1,118	15,502
Placing of new shares	41,067	–	–	–	–	41,067	–	41,067
Share issuance costs	(598)	–	–	–	–	(598)	–	(598)
Acquisition of a subsidiary	–	–	–	–	–	–	(928)	(928)
Disposal of subsidiaries	–	–	–	–	–	–	(2,329)	(2,329)
Transfer pursuant to the Group Reorganisation	(414,969)	54,450	–	–	360,519	–	–	–
Net profit for the year	–	–	–	–	15,442	15,442	13,882	29,324
At 30 September 2004	–	54,450	976	–	14,869	70,295	11,743	82,038
At 1 October 2004	–	54,450	976	–	14,869	70,295	11,743	82,038
Placing of new shares	402,590	–	–	–	–	402,590	–	402,590
Share issuance costs	(39,670)	–	–	–	–	(39,670)	–	(39,670)
Net profit for the year	–	–	–	–	12,291	12,291	19,492	31,783
Redomicile costs	–	(2,117)	–	–	–	(2,117)	–	(2,117)
Surplus on revaluation – associates	–	–	–	187,065	–	187,065	–	187,065
At 30 September 2005	362,920	52,333	976	187,065	27,160	630,454	31,235	661,689
Reserves retained by: Company and subsidiaries	–	54,450	976	–	14,869	70,295	11,743	82,038
Associates	–	–	–	–	–	–	–	–
At 30 September 2004	–	54,450	976	–	14,869	70,295	11,743	82,038
Company and subsidiaries	362,920	52,333	976	–	27,172	443,401	31,235	474,636
Associates	–	–	–	187,065	(12)	187,053	–	187,053
At 30 September 2005	362,920	52,333	976	187,065	27,160	630,454	31,235	661,689

32. RESERVES (Continued)

Company

	Share premium HK\$'000	Retained profits/ (accumulated losses) HK\$'000	Total HK\$'000
At 27 May 2004 (date of incorporation)	–	–	–
Net loss for the period	–	(15)	(15)
At 30 September 2004	–	(15)	(15)
At 1 October 2004	–	(15)	(15)
Placing of new shares	402,590	–	402,590
Share issuance costs	(39,670)	–	(39,670)
Net profit for the year	–	67,984	67,984
At 30 September 2005	362,920	67,969	430,889

33. ACQUISITION OF A SUBSIDIARY

	2005 HK\$'000	2004 HK\$'000
Fair value of identifiable assets/(liabilities) acquired:		
Fixed assets	–	2,517
Inventory	–	554
Debtors, deposits and prepayments	–	1,075
Amount due from shareholders	1,081	–
Cash and bank balances	377	2,775
Creditors and accrued charges	–	(8,522)
Bank overdraft	–	(462)
	1,458	(2,063)
Minority interest	–	928
	1,458	(1,135)
Goodwill	178	1,135
Total consideration	1,636	–
Satisfied by:		
Cash consideration	555	–
Assumption of debts	1,081	–
	1,636	–
Cash flow on acquisition, net of cash acquired:		
Cash and bank balances acquired	377	2,313
Cash consideration	(555)	–
	(178)	2,313

34. DISPOSAL OF SUBSIDIARIES

	2005 HK\$'000	2004 HK\$'000
Net assets/(liabilities) disposed of:		
Fixed assets	-	4,085
Deferred tax assets	-	71
Inventory and work in progress	-	8,526
Debtors, deposits and prepayments	-	11,917
Cash and bank balances	-	5,480
Goodwill	-	5,488
Creditors and accruals	-	(17,440)
Bank overdraft	-	(2,306)
Bank loan	-	(850)
Minority interests	-	(2,329)
Tax payable	-	(972)
	-	11,670
Cost in relation to the disposals	-	16
	-	11,686
Gain on disposal of subsidiaries	-	2,314
	-	14,000
Satisfied by:		
Partial settlement of promissory note payable	-	10,650
Cash consideration	-	3,350
	-	14,000
Analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries:		
Cash and bank balances disposed of with the subsidiaries	-	(5,480)
Bank overdraft disposed of with the subsidiaries	-	2,306
Cash consideration received	-	3,350
Cost on disposal of subsidiaries	-	(16)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	-	160

The subsidiaries disposed of contributed approximately HK\$130,392,000 to the Group's turnover and approximately HK\$4,983,000 to the Group's profit for the year ended 30 September 2004.

35. BUSINESS COMBINATIONS

On 26 December 2004, the Group acquired 100% equity interest of Travel Success (Macau) Limited ("TSML") for a total consideration of approximately HK\$1,636,000. TSML incurred net loss of approximately HK\$57,000 and did not contribute any revenue to the Group for the period since the date of acquisition.

Details of net assets acquired and goodwill are as follows:

	2005 HK\$'000
Purchase consideration:	
Cash	555
Assumption of debts	1,081
Fair value of total purchase consideration	1,636
Fair value of net assets acquired	1,458
Excess of the cost of acquisition over the fair value of net assets acquired	178

The assets and liabilities arising from the acquisition are as follows:

	Fair value HK\$'000	Acquiree's carrying amount HK\$'000
Net assets acquired:		
Amounts due from shareholders	1,081	1,081
Cash and bank balances	377	377
	1,458	1,458

36. COMMITMENTS

(a) *Capital commitments*

	Group		Company	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Contracted but not provided for	1,021	–	–	–
Authorised but not contracted for	–	180	–	–
	1,021	180	–	–

(b) *Operating lease commitments*

At the balance sheet date, the Group had the following commitments for future lease payments under non-cancellable operating leases which fall due as follows:

	Group		Company	
	2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Within one year	972	925	–	–
In the second to fifth years, inclusive	58	831	–	–
	1,030	1,756	–	–

37. RELATED PARTY TRANSACTIONS

- (a) On 7 March 2005, Joyspirit Investments Limited, a wholly-owned subsidiary, as lender (the “Lender”) entered into a loan agreement (the “Loan Agreement”) with King Seiner Palace Promotor De Jogos, Limitada (the “Borrower”), a company incorporated in Macau with limited liability and is owned as to 56% by Mr. Yeung Hoi Sing, Sonny (“Mr. Yeung”), 24% by Mr. Chan Hon Keung (“Mr. Chan”) and 20% by an independent third party, as borrower. As at 1 April 2005, Mr. Yeung, an executive director of the Company, is beneficially interested in approximately 37.94% of the issued share capital of the Company and Mr. Chan is beneficially interested in approximately 16.26% of the issued share capital of the Company.

Pursuant to the Loan Agreement, the Lender provide a facility of HK\$50 million to the Borrower (the “Loan Facility”) which was used as general working capital of Borrower for the purpose of running its gaming intermediaries business at King Seiner Palace in Macau. The interest payable on the loan is the higher of (i) 20% per annum; and (ii) the amount equivalent to 18% of the net profit of the Borrower before all interest payments on the loan for the latest financial year of the Borrower as shown in the audited financial statement of the Borrower.

In consideration of the Lender agreeing to grant the Loan Facility to the Borrower, Mr. Yeung and Mr. Chan executed a guarantee in favour of the Lender as security for the Loan Facility whereby they jointly and severally guarantee, unconditionally and irrevocably, the due and punctual payment by the Borrower of the secured indebtedness and/or any part thereof which became due from time to time and the due and punctual performance and observance by the Borrower of all its obligations contained in the Loan Agreement.

In addition, pursuant to an option deed dated 7 March 2005 entered into between the Borrower and the Lender (the “Option Deed”), the Borrower agreed to grant the option to the Lender which is exercisable at an option price calculated at price not exceeding 4 times of the profits at the time of the exercise of the option multiple by 20% at any time during 57 months from the date of the Option Deed. Upon exercise of the option, the Lender shall be entitled to 20% of the enlarged share capital of the Borrower as at the date of the completion of allotment and issue of shares under the option.

In the opinion of the directors, these transactions were conducted in the normal course of business of the Group and after arm’s length negotiation between the Borrower and the Lender. Details of these major and connected transactions are set out in the Company’s circular dated 7 April 2005.

During the year, the loan interest of approximately HK\$1,562,000 was received/ receivable from the Borrower.

- (b) On 26 March 2004, Orient Prize Holdings Inc., a wholly-owned subsidiary, entered into an agreement to dispose of Fine Lord Construction Company Limited (“Fine Lord”), a wholly-owned subsidiary, at a consideration of HK\$5,800,000. The purchaser, Mr. Chan Chung Chiu, is a director of Fine Lord. The transaction constituted a connected transaction. The consideration was arrived at after arm’s length negotiations between the Group and Mr. Chan Chung Chiu. The consideration was satisfied by the release of a promissory note with outstanding amount of approximately HK\$5,873,000. Details of this connected transaction were set out in the Company’s circular dated 31 March 2004.

37. RELATED PARTY TRANSACTIONS (Continued)

(c) Apart from the above, the Group also had the following transactions with the related parties during the year:

	Notes	2005 HK\$'000	2004 HK\$'000
Travel service income received and receivable from			
– Associates	(i)(ii)	168	–
– Key management personnel	(ii)	241	237
– Closely family members of key management personnel	(ii)	470	360
		879	597
Trade receivables from travel service as at the balance sheet date			
– Associates		102	–
– Key management personnel		10	–
– Closely family members of key management personnel		10	–
		122	–

- (i) The Company directors, Mr. Yeung Hoi Sing, Sonny and Mr. Lee Siu Cheung, are the directors of the associates.
- (ii) The travel agent service income was charged according to prices and conditions similar to those offered to other customers.

38. PLEDGED OF ASSETS

As at 30 September 2005, the Group pledged the time deposits approximately of HK\$0.7 million (2004: HK\$0.2 million) to certain banks for issuance of several bank guarantees approximately of HK\$0.7 million (2004: HK\$0.2 million) for operations of the Group.

39. COMPARATIVE AMOUNTS

As further explained in notes 3 and 4 to the financial statements, due to the early adoption of HKFRSs during the year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified and restated to conform with the current year's presentation.