1. GENERAL INFORMATION

The Company is an exempted limited company incorporated in the Cayman Islands. Its shares are listed on The Stock Exchange of Hong Kong Limited.

The Company and its subsidiary are engaged in investment holding for medium to long-term capital appreciation purpose and in trading of listed securities.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (HKFRSs), Hong Kong Accounting Standards (HKASs) and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are effective for accounting periods beginning on or after 1 January 2005 and adopted by the Group with effect from 1 April 2005. The application of the new HKFRSs has resulted in a change in the presentation of the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity. The changes in presentation have been applied retrospectively. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current and/or prior accounting years are prepared and presented:

Financial Instruments

In the current year, the Group has applied HKAS 32 Financial Instruments: Disclosure and Presentation and HKAS 39 Financial Instruments: Recognition and Measurement. HKAS 32 requires retrospective application. HKAS 39, which is effective for annual periods beginning on or after 1 January 2005, generally does not permit the recognition, derecognition or measurement of financial assets and liabilities on a retrospective basis. The application of HKAS 32 has had no material impact on how financial instruments of the Group are presented for current and prior accounting periods. The principal effects resulting from the implementation of HKAS 39 are summarised below:

Classification and measurement of financial assets and financial liabilities

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

Classification and measurement of financial assets and financial liabilities *(continued)*

By 31 March 2005, the Group classified and measured its debt and equity securities in accordance with the alternative treatment of Statement of Standard Accounting Practice 24 (SSAP 24). Under SSAP 24, investments in debt or equity securities are classified as "trading securities", "non-trading securities" or "held-to-maturity investments" as appropriate.

Both "trading securities" and "non-trading securities" are measured at fair value. Unrealised gains or losses of "trading securities" are reported in profit or loss for the period in which gains or losses arise. Unrealised gains or losses of "non-trading securities" are reported in equity until the securities are sold or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for that period.

From 1 April 2005 onwards, the Group has classified and measured its debt and equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. Available-for-sale equity investments that do not have quoted market prices in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less impairment after initial recognition. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method after initial recognition.

Effect of changes in the accounting policies on consolidated balance sheet:

	31 March 2006	31 March 2005
	HKAS 32 & 39	HKAS 32 & 39
	HK$'000	HK$'000
Increase/(decrease) in assets		
Available-for-sale financial assets	**5,327**	–
Financial assets at fair value through profit or loss	**34**	–
Investment in securities	**(5,327)**	–
Trading securities	**(34)**	–

3. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments in securities. The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are set out below:

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary made up to 31 March. Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the members of the Board; or to cast majority of votes at the meeting of the Board.

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

All significant inter-company transactions and balances within the group are eliminated on consolidation.

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

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

(b) Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Proceeds from the disposal of investments are recognised on the trade-date when a sale and purchase contract is entered into.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(c) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss for interests in associates is dealt with in equity, until the associates are disposed of, at which time the cumulative losses previously recognised in equity are included in the net profit or loss for the year. Other impairment losses are recognised as expenses immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

(d) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The accounting policies adopted in respect of each category of financial assets are set out below.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(d) Financial instruments *(continued)*

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

Financial assets at fair value through profit or loss has two subcategories, including financial assets held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. Unrealised gains and losses arising from changes in the fair value are included in the profit and loss account in the period in which they arise. Upon disposal, the difference between the net sale proceeds and the carrying value is included in the profit and loss account.

(iii) 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. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after recognition of the impairment loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost over their estimated useful lives, using the straight line method, at the following rates per annum:

Leasehold improvements	25%
Furniture and fixtures	20%
Office equipment	20%
Computer equipment	20%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

(f) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with lessor are accounted for as operating leases. Rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

(g) Foreign currencies

Transactions in foreign currencies are translated at the rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Profits and losses arising on exchange are dealt with in the income statement.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(h) 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 amounts 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 in 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 investments in subsidiaries and associates, except where the Group 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 profit 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.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(i) Employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are payable and made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed to the MPF Scheme except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

(j) Related parties

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 decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(k) Cash and cash equivalents

Cash and cash equivalents represent short term highly liquid investments which are readily convertible into known amounts of cash and which are within three months of maturity when acquired, less advances from bank repayable within three months from the date of the advances.

(l) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3. PRINCIPAL ACCOUNTING POLICIES *(continued)*

(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 Group. It can also be a present obligation arising from past event 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 the 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 Group.

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

(n) Segment reporting

The Group has determined that geographical segments are presented as the primary reporting format.

Segment assets consist primarily of fixed assets, investments in financial assets, deposits paid for acquisition of investments in financial assets, trade and other receivables and operating bank balances and cash exclude corporate cash funds. Segment liabilities consist primarily of tax payable and accrued charges and other payables. Capital expenditure comprises additions to fixed assets.

In respect of geographical segment reporting, turnover is based on the region where the related investments are located. Total assets and capital expenditure are based on where the assets are located.

4. SEGMENT INFORMATION

During the years ended 31 March 2005 and 2006 respectively, more than 90% of the Group's turnover was derived in Hong Kong, no business and geographical segmental information on turnover are presented. The Group's segment assets and liabilities for the year, analysed by geographical market, are as follows:

	Hong Kong, SAR		PRC (not including Hong Kong, SAR)		Consolidated	
	2006	2005	**2006**	2005	**2006**	2005
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
ASSETS AND LIABILITIES						
ASSETS						
Segment assets	**4,250**	6,041	**16,773**	16,925	**21,023**	22,966
Unallocated corporate assets					**958**	766
Consolidated total assets					**21,981**	23,732
LIABILITIES						
Unallocated corporate liabilities and consolidated total liabilities					**908**	1,031
Other information:						
Capital additions	**–**	10			**–**	10
Depreciation	**208**	207			**208**	207
Write back of other receivables	**–**	168			**–**	168

5. TURNOVER

	2006 HK$'000	2005 HK$'000
An analysis of turnover is as follows:		
Proceeds from sale of financial assets at fair value through profit or loss/trading securities	–	2,067
Dividend income from financial assets	**1**	–
Interest income	**37**	32
	38	2,099

6. GAIN ON DISPOSAL OF INVESTMENT IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

Included in the gain on disposal of investment in available-for-sale financial assets is an amount of HK$54,000 (2005: HK$Nil) in respect of investment revaluation reserve released on disposals of available-for-sale financial assets.

7. LOSS FROM OPERATIONS

The Group's loss from operations is arrived at after charging/(crediting) the following:

	2006 HK$'000	2005 HK$'000
Staff costs including directors' emoluments	**1,559**	1,285
Pension scheme contributions	**45**	32
	1,604	1,317
Auditors' remuneration		
– Current year	**100**	145
– Under-provision in prior year	–	103
Depreciation	**208**	207
Write back of other receivables	–	(168)
Minimum lease payments under operating lease rentals for office premises	**684**	651

8. DIRECTORS' EMOLUMENTS AND HIGHEST PAID EMPLOYEES

(a) Directors

Details of directors' remunerations are as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Fees:		
Executive Director	**–**	–
Non-executive Directors	**–**	–
Independent non-executive Directors	**120**	120
	120	120
Other emoluments:		
Salaries and other benefits paid to Executive Director	**650**	382
Pension scheme contributions paid to:		
Executive Director	**12**	12
Independent Non-executive Directors	**–**	–
Total emoluments	**782**	514

The emoluments of the Directors fell within the following bands:

	Number of directors	
	2006	2005
Emolument bands		
Nil to HK$1,000,000	**3**	3

During the year ended 31 March 2006 none of the directors waived their emoluments for the services rendered for the year then ended.

8. DIRECTORS' EMOLUMENTS AND HIGHEST PAID EMPLOYEES *(continued)*

(a) Directors *(continued)*

The emoluments paid or payable to each of the three (2005: three) directors were as follows:

The Group

	Fees		Salaries		2006	2005
	Executive and non-executive directors	Independent non-executive directors	Management remuneration	Employer's contributions to pension schemes	Total emoluments	Total emoluments
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**	HK$'000
Wang Chun Lin	–	–	650	12	**662**	394
Luk Cheong	–	–	–	–	**–**	–
Wang Annie	–	–	–	–	**–**	–
Li Jian Wei	–	–	–	–	**–**	–
Li Man Nang	–	60	–	–	**60**	60
Wang Tianye	–	60	–	–	**60**	60
Fang Tsz Ying	–	–	–	–	**–**	–
Total	–	120	650	12	**782**	514

8. DIRECTORS' EMOLUMENTS AND HIGHEST PAID EMPLOYEES *(continued)*

(b) Employees' emoluments

Of the four (2005: four) highest paid individuals in the Group, one (2005: one) was Director whose remuneration is set out in (a) above. The emoluments of the remaining three (2005: three) individuals were as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Basic salaries, housing benefits, other allowances and benefits in kind	**711**	783
Pension scheme contributions	**30**	20
	741	803

Note – there were only four employees during the year.

The emoluments of each of the above remaining employees fall within the HK$Nil – HK$1,000,000 band.

There was no arrangement under which any of the four (2005: four) highest paid employees waived or agreed to waive any remuneration during the year.

During the year, no emoluments were paid by the Group to any of the directors or the highest paid employees as an inducement to join or upon joining the Group, or as compensation for loss of office.

9. TAXATION

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no assessable profit in both years.

The taxation can be reconciled to the loss per the income statement as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Loss before taxation	**(1,478)**	(3,515)
Tax at the domestic tax rate of 17.5% (2005: 17.5%)	**(259)**	(615)
Tax effect on non-deductible expenses	**71**	148
Tax effect on non-taxable revenue	**(359)**	(1)
Tax effect on tax losses not recognized	**547**	475
Others	**–**	(7)
Tax charge for the year	**–**	–

10. DIVIDENDS

No dividends have been paid or declared by the Company during the year (2005: HK$ nil).

11. LOSS PER SHARE

The calculation of the loss per share is based on the loss for the year of approximately HK$1,478,000 (2005: HK$3,515,000) and on 355,056,000 (2005: 355,056,000) shares in issue during the year.

Diluted loss per share is not presented as there are no diluting events during the year.

12. INVESTMENTS IN THE SUBSIDIARY

	Company 2006 HK$'000	Company 2005 HK$'000
Unlisted shares, at cost	**4,501**	4,501
Less: impairment loss recognised	**(4,501)**	(4,501)
	–	–
Due from the subsidiary	**5**	–
	5	–

Particulars of the Group's subsidiary as at 31 March 2006 are as follows:

Name of subsidiary	Place of incorporation	Nominal value of issued share capital	Percentage of equity held directly by the Company	Principal activities
Cyberlink Management Limited	British Virgin Islands	Ordinary HK$390,000	100%	Investment holding

13. PROPERTY, PLANT AND EQUIPMENT

Group and Company

	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Computer equipment HK$'000	Total HK$'000
Cost					
At 1 April 2005 and 31 March 2006	566	167	47	117	897
Accumulated depreciation and impairment					
At 1 April 2005	372	79	23	53	527
Charge for the year	142	34	9	23	208
At 31 March 2006	514	113	32	76	735
Net book value					
At 31 March 2006	52	54	15	41	162
At 31 March 2005	194	88	24	64	370

14. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2006	2005	**2006**	2005
	HK$'000	HK$000	**HK$'000**	HK$000
Equity securities listed in Hong Kong, at cost	**9,011**	–	**9,011**	–
Unrealised loss	**(8,037)**	–	**(8,037)**	–
Fair value at 31 March	**974**	–	**974**	–
Unlisted equity securities, at cost	**7,661**	–	**1,600**	–
Unrealised loss	**(6,388)**	–	**(327)**	–
Fair value at 31 March	**1,273**	–	**1,273**	–
Unlisted convertible bonds	**3,080**	–	**3,080**	–
Unrealised loss	**–**	–	**–**	–
Fair value at 31 March	**3,080**	–	**3,080**	–
	5,327	–	**5,327**	–

The convertible bonds in the principal amount of HK$3,080,000 carry the right to convert into shares of Amplus International Investments Limited ("Amplus"). The bonds are unsecured, bear interest at 1% per annum and have a maturity date on 30 September 2008. The Group has the right on any business day from 1 October 2003 to the maturity date to convert the whole amount of the outstanding principal of the bonds into shares in Amplus by using a predetermined formula.

Following the adoption of HKAS 39 in year 2005, certain financial assets were designated as available-for-sale financial assets on 1 April 2005. There was no such redesignation in 2005 as retrospective application of HKAS 39 is not permitted.

15. INVESTMENTS IN SECURITIES

	Group		Company	
	2006	2005	**2006**	2005
	HK$'000	HK$000	**HK$'000**	HK$000
Equity securities listed in Hong Kong, at cost	–	10,566	–	10,566
Unrealised loss	–	(7,975)	–	(7,975)
Fair value at 31 March	–	2,591	–	2,591
Unlisted equity securities, at cost	–	7,661	–	1,600
Unrealised loss	–	(6,236)	–	(175)
Fair value at 31 March	–	1,425	–	1,425
Unlisted convertible bonds	–	3,080	–	3,080
	–	7,096	–	7,096

In accordance with HKAS 39, all investments in securities were redesignated as available-for-sale financial assets on 1 April 2005.

16. DEPOSITS PAID FOR ACQUISITION OF INVESTMENTS IN AVAILABLE-FOR-SALE FINANCIAL ASSETS

The balance includes the following:

(a) In July 2004, the Company made a deposit of HK$3,500,000 to an independent third party (the "Independent Party A") for the establishment of a company in the PRC which the Company will have 20% equity interest. This company will be engaged in educational web-site platform in the telecommunication industry. As at 31 March 2006, the investment proposal is still in progress and the deposit will be transferred to available-for-sale financial assets when the procedures of the establishment is completed. If the other investing party was unable to obtain the approval from the Chinese government officials before 31 December 2006, this investment proposal will be terminated.

(b) In August 2005, the Company made a deposit of HK$6,000,000 to an independent third party (the "Independent Party B") for the establishment of a jointly controlled entity in the PRC which the Company will have 25% equity interest. This company will be engaged in exploration and mining industry. As at 31 March 2006, the investment proposal is still in progress and the deposit will be transferred to available-for-sale financial assets when the procedures of the establishment is completed.

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company	
	2006	2005
	HK$'000	HK$'000
Financial assets at fair value through profit or loss:		
Listed in Hong Kong, at cost	**36**	–
Unrealised loss recognised in income statement	**(2)**	–
	34	–
Market value at 31 March	**34**	–

Following the adoption of HKAS 39 in year 2005, certain financial assets were designated as financial assets at fair value through profit or loss on 1 April 2005. There was no such redesignation in 2005 as retrospective application of HKAS 39 is not permitted.

18. TRADING SECURITIES

	Group and Company	
	2006	2005
	HK$'000	HK$'000
Equity securities listed in Hong Kong, at cost	–	36
Unrealised loss	–	(4)
Market value at 31 March	–	32

In accordance with HKAS 39, all trading securities were redesignated as financial assets at fair value through profit or loss on 1 April 2005.

19. OTHER RECEIVABLES

In December 2002, the Company made a deposit of HK$6,000,000 to an independent third party (the "Independent Party C") for a proposed acquisition of an effective 20% equity interest in a company, which was established in the PRC and is engaged in the provision of freight and cargo forwarding services, through acquisition of shares in a Samoa incorporated company (the "Samoa Company"). Pursuant to the memorandum for sale and purchase of shares in the capital of the Samoa Company dated 1 December 2002, in the event that the Independent Party C failed to complete the acquisition on or before 30 September 2003, the deposit should be fully refunded to the Company. The deposit has not been refunded by the Independent Party C and the balance was stated as a deposit paid for acquisition of investments in securities as at 31 March 2004. At 31 March 2005, the Independent Party C has pledged his bank deposit of HK$6,000,000 (2005: HK$6,000,000) in favor of the Company to secure the deposit paid by the Company and as the balance was not deposit in nature, it was reclassified as other receivable balance as at 31 March 2005 and 2006. In April 2006, the Company instructed the Independent Party C to use the deposit for a proposed acquisition of an effective 20% equity interest in a company which is incorporated in the British Virgin Islands and is engaged in the business of investment holding.

20. SHARE CAPITAL

	2006 HK$'000	2005 HK$'000
Authorised:		
1,000,000,000 ordinary shares of HK$0.01 each	**10,000**	10,000
Issued and fully paid:		
355,056,000 ordinary shares of HK$0.01 each	**3,551**	3,551

There have been no movements in share capital during the year ended 31 March 2006.

21. RESERVES

Movements of reserves of the Group and Company are set out under the statement of changes in equity.

The investment revaluation reserve represents the net unrealised losses on revaluation of available-for-sale financial assets at the balance sheet date.

Under the Companies Law (revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and a statutory solvency test. It is provided that a dividend cannot be paid if this would result in the Company being unable to pay its debts as they fall due. In accordance with the Company's Articles of Association, the Company's reserves available for distribution to shareholders amounted to approximately HK$17,542,000 (2005: approximately HK$19,164,000).

22. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of the Group as at 31 March 2006 of approximately HK$21,073,000 (2005: approximately HK$22,701,000) and 355,056,000 (2005: 355,056,000) ordinary shares in issue as at that date.

23. UNRECOGNISED DEFERRED TAXATION

At the balance sheet date, the Group had unrecognised deferred taxation assets as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Taxation effect of temporary differences arising as a result of:		
Tax losses available to set off against future assessable profits	**2,605**	2,088
Excess of depreciation charged in the financial statements over depreciation allowance claimed for tax purposes	**61**	31
	2,666	2,119

No deferred tax asset has been recognized in respect of the tax losses as they have not yet been all agreed with the Inland Revenue Department and it is not certain that they can be utilized in the foreseeable future.

No provision for deferred taxation has been recognized in the income statement for the year. The amount of unrecognised deferred taxation credit for the year is as follows:

	Group	
	2006	2005
	HK$'000	HK$'000
Taxation effect of temporary differences arising as a result of:		
Tax losses available to set off against future assessable profits	**517**	582
Taxation effect of timing differences arising as a result of excess of depreciation charged in the financial statements over depreciation allowance claimed for tax purposes.	**30**	16
	547	598

The Company had no significant unrecognised deferred taxation at the balance sheet date.

24. RELATED PARTY TRANSACTIONS

During the year, remuneration for key management personnel, including amounts paid to the Company's directors and certain of the Group's highest paid employees as disclosed in note 8 is as follows:

	2006 HK$'000	2005 HK$'000
Directors' fees	120	120
Salaries and other short-term employee benefits	1,361	1,165
Contributions to pension scheme	42	32
	1,523	1,317

25. COMMITMENTS

(a) Operating lease arrangements

During the year, the Group and the Company leased certain of its office premises under non-cancelable operating lease arrangements which are negotiated and rentals are fixed for an average term of two years.

At 31 March 2006, the Group and the Company had total future minimum lease payments in respect of non-cancelable operating leases for land and buildings falling due as follows:

	Group and Company	
	2006 HK$'000	2005 HK$'000
Within one year	329	658
In the second to fifth years inclusive	–	329
	329	987

(b) Capital commitments

At the balance sheet date, neither the Group, nor the Company had any significant capital commitments.