

## NOTES TO CONDENSED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) No. 34: Interim Financial Reporting and other relevant HKASs and Interpretations, the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirement of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The accounting policies and methods of computation used in the preparation of the interim financial statements are the same as those adopted in preparing the Group’s annual financial statements for the year ended 31 March 2006. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value.

The Group has changed certain of its accounting policies following its adoption of the new/ revised HKFRSs and HKASs which are effective for accounting periods commencing on or after 1 January 2005. From 1 April 2005 onward, the Group has adopted the following new HKFRSs pertinent to its operations. The adoption of the new HKFRSs has no material effect on the Group’s results and financial position for the current or prior periods.

Amendments to	HKAS 1	Presentation of Financial Statements
	HKAS 32	Financial Instruments: Disclosure and Presentation,
	HKAS 39	Financial Instruments: Recognition and Measurement

### 2. TURNOVER

An analysis of turnover is as follows:

	<b>Six months ended</b>	
	<b>30.9.2006</b>	30.9.2005
	<b>HK\$’000</b>	HK\$’000
Proceeds from sale of investment in financial assets at fair value through profit or loss	–	–
Interest income	<b>25</b>	16
	<b>25</b>	16

No segment information is presented as all of the turnover, contribution to operating results of the Group are attributable to investment activities which are carried out or originated principally in Hong Kong.

### 3. OTHER INCOME

Other income comprised with the following; (i) written back of over provision on investment management fee of HK\$100,000 in pervious year. (ii) On 19 May 2006, the Company (as "Assignor") had entered into a deed of assignment to assign our long outstanding written-off receivable which are due from two individual debtors in pervious year in an amount of HK\$159,080 and HK\$2,585,716 respectively with C-Map Business Limited (as "Assignee") in consideration of HK\$411,719 in discounting of approximately 85% on the original debt, and (iii) receipt of HK\$4,600 in relation to cash rebate from our service vender.

### 4. LOSS BEFORE TAXATION

	<b>Six months ended</b>	
	<b>30.9.2006</b>	30.9.2005
	<b>HK\$'000</b>	HK\$'000
Loss before taxation has been arrived at after charging/(crediting):		
Write back of over provision on debt in pervious year	(100)	–
Assignment of debt	(412)	–
Directors' remuneration		
– fees	60	60
– other emoluments	300	300
Retirement benefits scheme contributions	19	23
Other staff costs	294	410
Total staff costs	<b>673</b>	793
Depreciation	89	104
Investment management fee	<b>100</b>	100

### 5. TAXATION

No provision for Hong Kong profits tax is required since the Group has no assessable profit for the both periods.

### 6. INTERIM DIVIDEND

The Board does not recommend payment of any interim dividend for the period under review (2005: Nil).

### 7. LOSS PER SHARE – BASIC

The calculation of the loss per share is based on the net loss attributable to shareholders for the six months ended 30 September 2006 of approximately HK\$1,120,000 (six months ended 30 September 2005: approximately HK\$1,083,000) and on the weight average number of 399,635,016 (six months ended 30 September 2005: the weighted average number of approximately 355,056,000) shares in issue during the period.

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

**8. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

Available-for-sale financial assets include the following:

	<b>30.9.2006</b> <i>HK\$'000</i>	31.3.2006 <i>HK\$'000</i>
Listed securities		
– Equity securities listed in Hong Kong	<u>356</u>	<u>974</u>
	<u>356</u>	<u>974</u>
Unlisted securities		
– Equity securities	<u>1,193</u>	<u>1,273</u>
	<u>1,193</u>	<u>1,273</u>
Unlisted convertible bond	<u>3,080</u>	<u>3,080</u>
	<u>4,629</u>	<u>5,327</u>

**9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>30.9.2006</b> <i>HK\$'000</i>	31.3.2006 <i>HK\$'000</i>
Listed securities		
– Equity securities listed in Hong Kong	<u>40</u>	<u>34</u>
	<u>40</u>	<u>34</u>

**10. SHARE CAPITAL**

	Note	Number of ordinary shares	Nominal Value HK\$'000
<b>Authorised:</b>			
At beginning of Period and at balance sheet date		<u>1,000,000,000</u>	<u>10,000</u>
<b>Issued and fully paid:</b>			
At beginning of Period (audited)		355,056,000	3,551
Issuance of shares	(i)	<u>65,790,000</u>	<u>657</u>
<b>At balance sheet date (unaudited)</b>		<b><u>420,846,000</u></b>	<b><u>4,208</u></b>

Note:

On 11 May 2006, the Company had entered into a placing agreement with independent investor to place a total of 65,790,000 new shares of the Company at the placing price of HK\$0.038 each. The Placing was completed in May 2006 and generated a total of approximately HK\$2,500,020 before expenses which was mainly used for working capital purpose. Further details of the placing of new shares are set out in the announcement of the Company dated 12 May 2006.

All these shares issued during the Period rank pari passu in all respects with the then existing shares.

**II. NET ASSETS PER SHARE**

The calculation of the net assets per share is based on the net assets of the Group as at 30 September 2006 of approximately HK\$21,749,000 (31 March 2006: approximately HK\$21,073,000) and 420,846,000 (31 March 2006: 355,056,000) ordinary shares in issue as at that dates.