NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

1. GENERAL

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office of the Company is in P.O. Box 309 George Town, Grand Cayman, Cayman Islands, British West Indies and the principal place of business of the Company is Room A, 18th Floor, 211 Johnston Road, Wanchai, Hong Kong.

The condensed consolidated interim financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Group.

The principal activities of the Group are securities trading, provision of information technology services ("IT") and property investment.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on Stock Exchange and with the Hong Kong Accounting Standard ("HKAS") No. 34 "Interim Financial Reporting" of Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated interim financial statements have been prepared under the historical costs basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2006.

In the current period, the Group had applied for the first time, a number of new HKFRSs issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2006. The adoption of the new HKFRSs has had no material on how the results and financial position for the current or prior accounting period as prepared and presented. Accordingly, no prior period adjustment has been required.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new standards, amendments or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the condensed consolidated interim financial statements of the Group:

HKAS 1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HK(IFRIC)-Int 8	Scope of HKFRS 2[2]
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives[3]
HK(IFRIC)-Int10	Interim Financial Reporting and Impairment[4]

1 Effective for annual periods beginning on or after 1 January 2007.
2 Effective for annual periods beginning on or after 1 May 2006.
3 Effective for annual periods beginning on or after 1 June 2006.
4 Effective for annual periods beginning on or after 1 November 2006.

3. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

(a) Securities trading – invest in securities listed on global stock markets;

(b) Property investment – invest in residential units and office space for their rental income potential; and

(c) Information technology – provide IT and wireless internet access.

3. SEGMENT INFORMATION (Continued)

Business segments (Continued)

Segment information about these businesses is presented below.

	Securities trading Unaudited		Property investment Unaudited		Information technology Unaudited		Total Unaudited	
	Six months ended 30 September 2006 HK$'000	Six months ended 30 September 2005 HK$'000	**Six months ended 30 September 2006 HK$'000**	Six months ended 30 September 2005 HK$'000	**Six months ended 30 September 2006 HK$'000**	Six months ended 30 September 2005 HK$'000	**Six months ended 30 September 2006 HK$'000**	Six months ended 30 September 2005 HK$'000
Segment turnover	**-**	-	**-**	-	**2,149**	1,365	**2,149**	1,365
Segment results	**291**	(7,266)	**-**	-	**(304)**	(2,323)	**(13)**	(9,589)
Interest income							**373**	175
Other income							**222**	358
Unallocated expenses							**(3,211)**	(2,884)
Finance costs							**(1)**	(302)
Share of result of an associate							**1,232**	(909)
Loss for the period							**(1,398)**	(13,151)

4. LOSS BEFORE TAXATION

Loss before taxation is stated after charging:–

	Unaudited Six months ended 30 September 2006 HK$'000	Unaudited Six months ended 30 September 2005 HK$'000
Depreciation	**318**	199
Operating lease rental in respect of leasehold properties	**152**	206

5. INCOME TAX EXPENSES

Hong Kong Profits Tax is calculated at 17.5% on estimated assessable profits, however, Hong Kong Profits Tax has not been provided for in the condensed consolidated interim financial statements as all group entities did not derive any assessable profits for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. No tax is payable for other jurisdictions as the subsidiaries did not derive any assessable profits for both periods.

6. DIVIDENDS

The directors of the Company did not recommend any payment of an interim dividend for the six months ended 30 September 2006 (six months ended 30 September 2005: Nil).

7. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to equity holders of the Company of approximately HK$369,000 (six months ended 30 September 2005: HK$13,154,000) and on the weighted average number of 532,100,000 (six months ended 30 September 2005: 532,100,000) shares in issue during the period.

No diluted loss per share has been presented as there was no potential ordinary shares in issue for both periods.

8. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK$236,000 on acquisition of property, plant and equipment.

9. GOODWILL

In August 2006, the Group acquired an additional 4% of the issued share capital of Cyberlogistic International Holdings Limited ("CIHL"), a subsidiary of the Company at a consideration of HK$3 million. Net liabilities value of CIHL attributable to such additional shares acquired at the date of acquisition was approximately HK$43,000. This gave rise to goodwill of approximately HK$3,043,000.

Impairment of goodwill in relation to subsidiaries of the Company was performed by reference to the estimated recoverable amounts which have been determined on the basis of value in use calculations. The recoverable amounts are based on certain similar key assumptions. The value in use calculations use cash flow projections based on financial budgets of the subsidiaries approved by management covering a 5-year period, and a discount rate of 5%. Cash flows beyond the 5-year period are extrapolated using a steady 4.5% growth rate. The growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Cash flow projections during the budget period for the subsidiaries are also based on the expected gross margins during the budget period. Budgeted gross margins have been determined based on past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the goodwill to exceed the aggregate recoverable amount.

In the opinion of the Directors, there was no impairment in goodwill in respect of the Group's associate at the balance sheet date as the fair value of the associate was greater than its carrying amount.

10. ACCOUNTS RECEIVABLE

The Group allows an average credit period of 30 to 60 days to its trade customers. The Group extends the normal credit term to 120 days to certain major and reputable customers.

The following is an aged analysis of the Group's accounts receivable at the balance sheet date:

	Unaudited 30 September 2006 HK$'000	Audited 31 March 2006 HK$'000
0 – 30 days	**143**	283
31 – 60 days	**400**	32
61 – 120 days	**250**	–
> 120 days	**958**	196
	1,751	511

The fair values of the Group's accounts receivable at the balance sheet date were approximated to the corresponding carrying amounts.

11. SHARE CAPITAL

During the period, there was no movement in share capital.

12. DEPOSIT PAID FOR ACQUISITION OF A SUBSIDIARY

At 24 September 2004, the Group entered into an agreement with a third party to acquire the entire issued share capital of Faithouse Company Limited ("transaction"), a limited company incorporated in HK, whose sole business is the investment holding of the entire interest in the Land – Lot No. 1198 in D.D. 217 located at Tai Chung Hau, Sai Kung, New Territories, Hong Kong.

Pursuant to the announcement dated 23 March 2006 and a rescission agreement made on the same date, the transaction was terminated. Full repayment of the deposit paid was refunded during the period.

13. ACCOUNTS PAYABLE

The following is an aged analysis of the Group's accounts payable at the balance sheet date:

	Unaudited 30 September 2006 HK$'000	Audited 31 March 2006 HK$'000
0 – 30 days	**19**	–
31 – 60 days	**30**	–
61 – 120 days	**165**	–
> 120 days	**442**	–
	656	–

The fair values of the Group's accounts payable at the balance sheet date were approximated to the corresponding carrying amounts.

14. OPERATING LEASE COMMITMENT

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

	Unaudited 30 September 2006 HK$'000	Audited 31 March 2006 HK$'000
Within one year	**601**	176
In the second to fifth year inclusive	**351**	–
Over 5 years	**–**	–
	952	176

Operating lease payments represent rental payable by the Group for certain of its office premises. The leases were negotiated for a term of one year and with fixed rentals.

15. CONTINGENT LIABILITIES

Save as disclosed in the annual financial statements for the year ended 31 March 2006 of the Group, no member of the Group is engaged in any litigation or arbitration of material importance and there is no litigation or claim of material importance known to the directors to be pending or threatened by or against the Company or any of its subsidiaries.

16. SUBSEQUENT EVENT

On 4 October 2006, the Company announced that it proposed to raise approximately HK$53.21 million, before expenses, by issuing 1,064,200,000 new shares (the "Open Offer Shares") at a price of HK$0.05 per Open Offer Share by way of the Open Offer on basis of two Open Offer Shares for every existing share held by the shareholders as at 9 November 2006 (the "Qualifying Shareholders"). Regarding such Open Offer, an Underwriting Agreement is signed on 27 September 2006 that Giant Sino Group Ltd. (the "Offeror") has conditionally agreed to underwrite the Open Offer Shares which have not been taken up.

Based on the results of the Open Offer announced by the Company on 29 November 2006, 206,216,876 Open Offer shares were accepted by the Qualifying Shareholders. Hence, the Open Offer was undersubscribed by 857,983,124 Open Offer Shares (the "Shortfall Underwritten Shares"). Pursuant to the Underwriting Agreement, the Offeror has subscribed for all the Shortfall Underwritten Shares. The Shortfall Underwritten Shares represent approximately 80.62% of the total Open Offer Shares and approximately 53.75% of the enlarged issued share capital of the Company of 1,596,300,000 shares immediately after completion of the Open Offer. Accordingly, the Offeror will make a mandatory unconditional cash offer ("General Offer") to acquire all the issued shares under Rule 26 of the Takeovers Code.

As at report date, the General Offer is still not yet completed.