

Notes to the Financial Statements

For the year ended 31 December 2004

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands.

The principal investment objective of the Company is to achieve medium-term capital appreciation through investments in listed and unlisted companies in Hong Kong and the People's Republic of China (the "PRC").

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Statements of Standard Accounting Practice ("SSAPs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

The Company has not early adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Company has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

A summary of the significant accounting policies followed by the Company in the preparation of the financial statements is set out below:

(a) Basis of preparation

The measurement basis used in the preparation of the financial statements is historical cost as modified by the marking-to-market of certain investments in securities as explained in note 2(b) below.

Notes to the Financial Statements

For the year ended 31 December 2004

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Investments in securities

Securities transactions are accounted for on a trade date basis and gains and losses on securities are calculated on the average cost basis.

(i) *Held-to-maturity securities*

Dated debt securities that the Company has the ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at cost plus/less any discount/premium amortised to date. The discount or premium is amortised over the period to maturity and included as interest income/expense in the income statement. Provision is made when there is a diminution in value.

(ii) *Non-trading securities*

Non-trading securities are investments in listed and unlisted securities not intended to be held for trading purposes. Listed non-trading securities are stated at their fair values on the basis of their latest available quoted or traded market prices at the balance sheet date on an individual investment basis. Unlisted non-trading securities are stated at their estimated fair values on an individual basis. The estimated fair values are determined by the directors having regard to information known to them and on market conditions existing at the balance sheet date.

The gains or losses arising from changes in the fair values of a non-trading security are dealt with as movements in the investment revaluation reserve until the security is sold, collected, or otherwise disposed of, or until the security is determined to be impaired, when the cumulative gain or loss derived from the security recognised in the investment revaluation reserve, together with the amount of any further impairment, is charged to the income statement for the period in which the impairment arises. Where the circumstances and events which led to an impairment cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future, the amount of the impairment previously charged and any appreciation in fair value is credited to the income statement to the extent of the amount previously charged.

(iii) *Trading securities*

Trading securities are investments in listed or unlisted securities held for trading purposes. Listed trading securities are stated at their fair values on the basis of their quoted market prices at the balance sheet date on an individual investment basis. Unlisted trading securities are stated at their estimated fair values on an individual basis. The estimated fair values are determined by the directors having regard to information known to them and on market conditions existing at the balance sheet date. The gains or losses arising from changes in the fair value of a trading security are credited or charged to the income statement for the period in which they arise.

Notes to the Financial Statements

For the year ended 31 December 2004

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Fixed assets and depreciation

An item of fixed asset is recognised as an asset when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset to the Company can be measured reliably.

Fixed assets are stated at cost less accumulated depreciation and impairment. The cost of a fixed asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation is provided on the straight-line method so as to write down the cost of fixed assets to their estimated realisable value over their anticipated useful lives at the following annual rates:

Leasehold improvements	:	Over the lease term period
Furniture and fixtures	:	20%
Office equipment	:	25%

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the estimated net disposal proceeds and the carrying amounts of the assets and are recognised in the income statement on the date of retirement or disposal.

(d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised to reduce the asset to its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount obtainable from the sale of an asset in an arm's length transaction, while value in use is the present value of the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. A reversal of an impairment loss is recognised as income immediately.

Notes to the Financial Statements

For the year ended 31 December 2004

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to the income statement on a straight-line basis over the lease periods.

(f) Current assets and liabilities

Current assets are expected to be realised within twelve months of the balance sheet date or in the normal course of the Company's operating cycle. Current liabilities are expected to be settled within twelve months of the balance sheet date or in the normal course of the Company's operating cycle.

(g) Taxation

The charge for taxation in the income statement for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the balance sheet liability method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Initial recognition of assets or liabilities that affect neither accounting nor taxable profit is regarded as a temporary difference which is not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be used. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(h) Translation of foreign currencies

Transactions in foreign currencies during the year are translated into Hong Kong dollars at rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Hong Kong dollars at rates of exchange ruling at the balance sheet date. All gains and losses on translation of foreign currencies are dealt with in the income statement.

Notes to the Financial Statements

For the year ended 31 December 2004

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments that are readily convertible into known amount of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(j) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

- (i) Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend. Dividend income from unlisted investments is recognised when the shareholders' right to receive payment is established;
- (ii) Interest income is recognised on a time-apportioned basis on the principal outstanding and at the rates applicable; and
- (iii) Sundry income is recognised on an accrual basis.

(k) Related party transactions

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. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(l) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Notes to the Financial Statements

For the year ended 31 December 2004

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. It can also be a present obligation arising from past events 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, a provision is recognised.

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 future events not wholly within the control of the Company. A contingent asset is not recognised but is 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.

Notes to the Financial Statements

For the year ended 31 December 2004

3. LOSS FROM ORDINARY ACTIVITIES BEFORE TAXATION

	2004	2003
	HK\$	HK\$
(a) Turnover and revenue:		
Turnover:		
Dividend income from trading securities listed in Hong Kong	22,280	919
Interest income from convertible loans receivable	519,534	1,175,000
Total revenue	541,814	1,175,919
(b) Other net income:		
Sundry income	–	26,000

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

	2004	2003
	HK\$	HK\$
(c) Loss from ordinary activities before taxation is stated after charging/(crediting):		
Auditors' remuneration	140,000	150,000
Total staff costs	110,400	40,000
Depreciation of owned fixed assets	176,978	176,941
Operating lease rentals in respect of office premises	180,000	180,000
Net unrealised holding losses/(gains) from trading securities	2,255,375	(10,600)
Investment management fee	454,360	567,111

Notes to the Financial Statements

For the year ended 31 December 2004

4. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

	2004	2003
	HK\$	HK\$
Fees		
Executive directors	57,600	40,000
Independent non-executive directors	52,800	–
Total emoluments	110,400	40,000

The emoluments of each of the six (2003: two) directors for the year ended 31 December 2004 were within the band of nil to HK\$1,000,000.

No directors waived any emoluments and no emoluments were paid to the directors as inducement to join or upon joining the Company or as compensation for loss of office during the year.

The Company did not employ any employees other than the directors of the Company for the current and prior years.

5. TAXATION

- (a) No provision for Hong Kong profits tax has been made as the Company had no assessable profits arising in Hong Kong for the current and prior year.
- (b) The taxation on the Company's loss before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

	2004	2003
	HK\$	HK\$
Loss before taxation	(6,142,836)	(3,813,105)
Tax at the domestic income tax rate of 17.5% (2003: 17.5%)	(1,074,996)	(667,293)
Tax effect of income that is not taxable in determining taxable profit	(3,899)	(161)
Tax effect of expenses that are not deductible in determining taxable profit	451,349	540,741
Tax effect of other temporary differences not recognised	25,277	24,407
Tax effect of tax losses not recognised	602,269	102,306
Taxation	–	–

Notes to the Financial Statements

For the year ended 31 December 2004

5. TAXATION (CONTINUED)

- (c) A deferred tax asset has not been recognised in the financial statements due to the uncertainty of future profit streams against which the asset can be utilised.
- (d) As at 31 December 2004, the major components of unprovided deferred tax asset are as follows:

	2004	2003
	HK\$	HK\$
Deductible temporary differences		
– accelerated depreciation allowances	46,540	21,263
Accumulated unused tax losses	3,877,552	3,275,283
	3,924,092	3,296,546

The deductible temporary differences and unused tax losses do not expire under current tax legislation.

6. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss for the year of HK\$6,142,836 (2003: HK\$3,813,105) and 360,000,000 (2003: 360,000,000) ordinary shares in issue during the year.

No diluted loss per share is presented for the current and prior years as the Company had no dilutive potential ordinary shares in issue.

7. DIVIDEND

No interim dividend was paid during the year (2003: Nil). The directors do not recommend the payment of any final dividend for the year (2003: Nil).

Notes to the Financial Statements

For the year ended 31 December 2004

8. FIXED ASSETS

	Leasehold improvements HK\$	Furniture and fixtures HK\$	Office equipment HK\$	Total HK\$
At cost:				
At 1 January 2004 and 31 December 2004	385,478	28,521	171,122	585,121
Accumulated depreciation:				
At 1 January 2004	214,154	9,507	71,194	294,855
Charge for the year	128,493	5,704	42,781	176,978
At 31 December 2004	342,647	15,211	113,975	471,833
Net book value:				
At 31 December 2004	42,831	13,310	57,147	113,288
At 31 December 2003	171,324	19,014	99,928	290,266

9. NON-TRADING SECURITIES

	2004 HK\$	2003 HK\$
Non-current unlisted equity securities, at cost	20,656,000	20,656,000
Less: Impairment loss recognised	(5,656,000)	(3,078,000)
Fair value as at 31 December	15,000,000	17,578,000

Note: The directors considered that the recoverable amount of the Company's investment in Jointech International Limited ("Jointech") is lower than its carrying value as at 31 December 2004. Accordingly, the directors recognised an impairment of HK\$5,656,000 (2003: HK\$3,078,000) in respect of the Company's investment in Jointech as at 31 December 2004.

Notes to the Financial Statements

For the year ended 31 December 2004

9. NON-TRADING SECURITIES (CONTINUED)

Particulars of the Company's non-trading securities as at 31 December 2004 are as follows:

Name of investee company	Place of incorporation	Attributable equity interest	Principal activities
Jointech International Limited*	British Virgin Islands	10.5%	Investment holding
Hong Kong Cable Services Co. Limited*	Hong Kong	10.5%	Trading of computer hardware and software, provision of computer maintenance service and software development
Star River Consultants Limited*	British Virgin Islands	30%	Investment holding
Join Group International Limited*	Hong Kong	30%	Investment holding
北京大明潤誠投資顧問有限公司*	PRC	25.5%	Provision of investment and business management consulting services
Artronic Productions (Australia) Pty Limited**	Australia	15%	Manufacturing and trading of printed circuit board
Health Dynamic Limited*	British Virgin Islands	20%	Investment holding
Ocean Pharmaceutical (HK) Limited*	Hong Kong	20%	Sourcing and trading of pharmaceutical products

* The Company's investments in Jointech, Hong Kong Cable Services Co. Limited, Star River Consultants Limited, Join Group International Limited, 北京大明潤誠投資顧問有限公司, Health Dynamic Limited and Ocean Pharmaceutical (HK) Limited with attributable equity interest held between 10% to 30% are initially recorded at cost and adjusted thereafter for any changes in fair value. These companies are not treated as associates because the Company is not in a position to exercise any significant influence over the financial and operating policies of these companies or to participate in their operations. Accordingly, the Company's investments in the aforesaid investee companies are accounted for as non-trading securities as at 31 December 2004.

** The Company's investment in Artronic Productions (Australia) Pty Limited is held through two intermediate holding companies which act as investment vehicles for the sole purpose of investing in Artronic Productions (Australia) Pty Limited. These intermediate holding companies have no other activities.

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For the year ended 31 December 2004

10. CONVERTIBLE LOANS RECEIVABLE

Particulars of the Company's convertible loans receivable as at 31 December 2004 are as follows:

- (a) As at 31 December 2004, the Company had an unsecured loan receivable of HK\$6,000,000 (2003: HK\$6,000,000) from Xinhui Changning High Polymer Material Company Limited ("Changning"), an independent third party which engaged in manufacturing of polymer material and related products in the PRC, for investment purposes, for a maximum term of five years. Pursuant to a loan agreement effective as from 28 November 2000, the Company may demand repayment, and Changning may prepay, at any time before maturity all or part of the loan with interest accrued thereon provided that either party shall have given to the other party six months' prior written notice specifying the amount and date of repayment/prepayment. The loan can be converted into equity shares of Changning at any time before maturity if not previously repaid up to a maximum of 35% of the enlarged equity share capital of Changning, provided that the Company shall have given one month's prior written notice to Changning. The Company is entitled to an investment return at the higher of (i) interest at a fixed rate of 8% per annum; and (ii) an annual amount equivalent to 30% of the net profits after tax of Changning determined in accordance with the PRC accounting standards. Investment return received from Changning during the year ended 31 December 2004 amounted to HK\$481,316 (2003: HK\$480,000).
- (b) As at 31 December 2003, the Company had an unsecured loan receivable of HK\$5,000,000 from Newcorp Investment & Development Limited ("Newcorp"), an independent third party which engaged in property investment in Hong Kong, for a maximum term of three years. Pursuant to a loan agreement effective as from 2 January 2001, the Company may demand repayment, and Newcorp may prepay, at any time before maturity all or part of the loan with interest accrued thereon provided that either party shall have given to the other party six months' prior written notice specifying the amount and date of repayment/prepayment. The loan can be converted into equity shares of Newcorp at any time before maturity if not previously repaid up to a maximum of 35% of the enlarged equity share capital of Newcorp, provided that the Company shall have given sixty days' prior written notice to Newcorp. The Company is entitled to an investment return at the higher of (i) interest at a fixed rate of 9% per annum; and (ii) an annual amount equivalent to 25% of the net profits after tax of Newcorp determined in accordance with accounting principles generally accepted in Hong Kong. Investment return received from Newcorp during the year ended 31 December 2004 amounted to HK\$38,218 (2003: HK\$450,000). Newcorp had fully repaid the loan of HK\$5,000,000 on 5 February 2004.

Notes to the Financial Statements

For the year ended 31 December 2004

11. TRADING SECURITIES

	2004	2003
	HK\$	HK\$
Equity securities listed in Hong Kong, at cost	7,015,479	6,088,244
Net unrealised holding losses	(4,476,919)	(2,221,544)
Market value as at 31 December	2,538,560	3,866,700

Particulars of the Company's trading securities as at 31 December 2004 are as follows:

Equity securities listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):

Name of investee company	Place of incorporation	Number of share held	Proportion of investee's capital owned	Cost HK\$	Market value HK\$	Unrealised holding (losses)/ gains HK\$	Dividend	Dividend cover	Net assets
							income received during the year HK\$		attributable to the Company HK\$
(a) China Elegance (Holdings) Limited (formerly known as China Elegance International Fashion Limited) ("China Elegance")	Bermuda	19,095,000	2.16%	6,204,788	1,680,360	(4,524,428)	-	N/A	793,398
(b) China Mobile (Hong Kong) Limited ("China Mobile")	Hong Kong	2,000	Less than 1%	55,311	52,700	(2,611)	800	1.4%	23,670
(c) Shougang Concord Century Holdings Limited ("Shougang Concord")	Hong Kong	1,074,000	Less than 1%	755,380	805,500	50,120	21,480	2.8%	672,156
				7,015,479	2,538,560	(4,476,919)	22,280		

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11. TRADING SECURITIES (CONTINUED)

A brief description of the business and financial information of the listed investee companies, based on their published annual and interim reports, is as follows:

- (a) China Elegance is principally engaged in investment holding, properties trading, metals and minerals trading, and the manufacturing, trading and distribution of consumer products including leather and non-leather garments and leatherware products. The audited consolidated net loss attributable to shareholders of China Elegance for the year ended 31 March 2004 was approximately HK\$67,510,000 (2003: HK\$14,479,000). As at 31 March 2004, the audited consolidated net asset value of China Elegance was approximately HK\$38,537,000 (2003: HK\$98,097,000). The unaudited consolidated net loss attributable to shareholders of China Elegance for the six months ended 30 September 2004 was approximately HK\$1,836,000 (2003: HK\$10,105,000). As at 30 September 2004, the unaudited consolidated net asset value of China Elegance was approximately HK\$36,701,000 (2003: HK\$87,992,000).
- (b) China Mobile is principally engaged in the provision of mobile communications and related services in the PRC and investment holding. The audited consolidated net profit attributable to shareholders of China Mobile for the year ended 31 December 2004 was approximately RMB42,004,000,000 (2003: RMB35,556,000,000). As at 31 December 2004, the audited consolidated net asset value of China Mobile was approximately RMB233,161,000,000 (2003: RMB198,803,000,000).
- (c) Shougang Concord is principally engaged in manufacturing of steel cords, processing and trading of copper and brass products. The audited consolidated net profit attributable to shareholders of Shougang Concord for the year ended 31 December 2004 was approximately HK\$148,114,000 (2003: HK\$66,092,000). As at 31 December 2004, the audited consolidated net asset value of Shougang Concord was approximately HK\$642,157,000 (2003: HK\$593,870,000).

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12. SHARE CAPITAL

	2004	2003
	HK\$	HK\$
Authorised:		
1,000,000,000 ordinary shares of HK\$0.02 each	20,000,000	20,000,000
Issued and fully paid:		
360,000,000 ordinary shares of HK\$0.02 each	7,200,000	7,200,000

13. SHARE OPTIONS

Under the Company's share option scheme (the "Scheme"), the directors may, at their discretion, invite full-time employees, including executive directors of the Company, to take up options to subscribe for shares of the Company subject to the terms and conditions stipulated therein. The exercise price per share is to be determined by the directors at their absolute discretion provided that in no event shall such price be less than the higher of the nominal value of the shares and 80% of the average of the closing prices of the Company's shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options.

The maximum number of shares in respect of which options may be granted under the Scheme when aggregated with any securities subject to any other scheme may not exceed 10% of the shares which have been duly allotted and issued and that the maximum number of shares in respect of which options may be granted to any one employee shall not exceed 25% of the maximum number of shares in respect of which options may be granted under the Scheme. The financial impact of options granted are not recognised in the Company's balance sheet until they are exercised.

During the year ended 31 December 2004, no option was granted, exercised or cancelled under the Scheme.

14. SHARE PREMIUM

Pursuant to the Companies Law (Revised) of the Cayman Islands, share premium of the Company is distributable to the shareholders, subject to the provisions of the Company's Memorandum and Articles of Association and a statutory solvency test. In accordance with Article 143 of the Company's Articles of Association, no dividend shall be declared or payable except out of the profits, any reserves of the Company set aside from profits which the directors determine is no longer needed and, with the approval of the shareholders of the Company, out of share premium. At 31 December 2004, in the opinion of the directors, the Company's reserves available for distribution to shareholders amounted to HK\$22,454,719 (2003: HK\$28,597,555).

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15. NET ASSET VALUE PER SHARE

The calculation of the net asset value per share is based on the net assets of the Company as at 31 December 2004 of HK\$29,654,719 (2003: HK\$35,797,555) and 360,000,000 (2003: 360,000,000) ordinary shares in issued as at that date.

16. RELATED PARTY TRANSACTIONS

During the year ended 31 December 2004, the Company had entered into the following significant related party transactions which, in the opinion of the directors, were carried out on normal commercial terms and in the ordinary course of the Company's business:

	2004	2003
	HK\$	HK\$
Investment management fee paid to Success Talent Investments Limited	–	567,111
Office rental paid to Yieldwin Limited (note)	30,000	180,000

Note: Yieldwin Limited is a company in which Mr. CHONG Chin, a former director of the Company who resigned on 4 March 2004, has beneficial interests. Pursuant to the tenancy agreement which covered a tenancy period from 1 May 2002 to 30 April 2005, signed between the Company and Yieldwin Limited, a monthly rental fee of HK\$15,000 is charged by Yieldwin Limited.

17. OPERATING LEASE COMMITMENTS

As at 31 December 2004, the Company had future aggregate minimum lease payments under a non-cancellable operating lease in respect of office premises as follows:

	2004	2003
	HK\$	HK\$
Within one year	60,000	180,000
In the second to fifth years inclusive	–	60,000
	60,000	240,000

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18. POST BALANCE SHEET EVENTS

On 3 February 2005, the Company disposed of its 10.5% interest in Jointech which is engaged in investment holding of Hong Kong Cable Services Co. Limited for a consideration of HK\$500,000 representing the net carrying value of the investment and was settled on 9 March 2005.

19. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 18 April 2005.