NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Group's condensed consolidated financial statements have been prepared in accordance with applicable disclosure requirements of the Rules Governing the Listing of Securities (the "Listing Rule") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and other relevant HKASs and interpretations and the Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. ACCOUNTING POLICIES

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 March 2005 except as described below.

In the current period, the Group has applied, for the first time, a number of new HKFRSs, HKASs and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1 January 2005. The application of the new HKFRSs has resulted in a change in the presentation of the balance sheet. 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 or prior accounting periods are prepared and presented.

Owner-occupied Leasehold Interest in Land

In previous periods, owner-occupied leasehold land and buildings were included in property, plant and equipment and measured at cost less accumulated depreciation and any accumulated impairment losses. In the current period, the Group has applied HKAS 17 "Leases". Under HKAS 17, the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification, unless the lease payments cannot be allocated reliably between the land and buildings elements, in which case, the entire lease is generally treated as a finance lease. To the extent that the allocation of the lease payments between the land and buildings elements can be made reliably, the leasehold interests in land are reclassified to prepaid lease payments under operating leases, which are carried at cost and amortised over the lease term on a straight-line basis. This change in accounting policy has been applied retrospectively. The financial impact is set out in note 3. Alternatively, where the allocation between the land and buildings elements cannot be made reliably, the leasehold interests in land continue to be accounted for as property, plant and equipment.

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these new HKFRSs will have no material impact on the financial statements of the Group.

HKAS 19 (Amendment)	Employee benefits-actuarial gains and losses, group plans and disclosures
HKAS 39 (Amendment)	Cash flow hedge accounting of forecast intragroup transactions
HKAS 39 (Amendment)	The fair value option
HKFRS 6	Exploration for and evaluation of mineral resources
HKFRS-Int 4	Determining whether an arrangement contains a lease
HKFRS-Int 5	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds

3. **SUMMARY OF EFFECT OF THE CHANGES IN ACCOUNTING POLICIES**

The effect on the consolidated balance sheet of changes in accounting policies on the adoption of HKAS 17, which takes effect retrospectively, is summarised below:

	At 30 September 2005 *HK$'000*	At 31 March 2005 *HK$'000*
(Decrease) increase in assets		
Property, plant and equipment	(24,916)	(38,540)
Prepaid lease payments on land use rights	24,916	38,540

4. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting, the Group has determined that geographical segments are its primary reporting format and no business segment information is presented as over 90% of the turnover and contribution to the Group's results are attributable to the manufacturing and trading of household products.

	Turnover Six months ended 30 September		Segment results Six months ended 30 September	
	2005 ***HK$'000*** **(unaudited)**	2004 *HK$'000* (unaudited)	**2005** ***HK$'000*** **(unaudited)**	2004 *HK$'000* (unaudited)
USA	**90,862**	171,294	**(5,314)**	16,715
Canada	**7,841**	11,133	**(191)**	821
Hong Kong	**11,529**	26,111	**1,362**	6,494
Mainland China	**3,944**	30,647	**(2,104)**	(5,841)
Europe	**5,813**	16,783	**308**	2,483
Others	**16,731**	8,862	**(296)**	1,472
	136,720	264,830	**(6,235)**	22,144
Unallocated corporate expenses			**(20,283)**	(24,264)
Loss from operations			**(26,518)**	(2,120)
Impairment loss on prepaid lease payments			**(8,018)**	–
Finance costs			**(4,540)**	(2,946)
Share of loss of an associate			**–**	(683)
Taxation			**–**	(156)
Loss attributable to shareholders			**(39,076)**	(5,905)

5. LOSS FROM OPERATIONS

This is stated after charging/(crediting) the following:

	Six months ended 30 September 2005 HK$'000 (unaudited)	2004 HK$'000 (unaudited and restated)
Amortisation of prepaid lease payments	**889**	889
Depreciation on property, plant and equipment	**14,374**	16,359
Provision for inventory obsolescence	**1,775**	247
(Written back) Provision for bad and doubtful debts	**(4,375)**	2,872
Exchange loss, net	**491**	222
Staff costs	**22,729**	34,540
Bank interest income	**(39)**	(15)
Rental income (less outgoings)	**(162)**	(205)

6. TAXATION

Hong Kong profits tax has not been provided as the Group incurred a loss for taxation purposes for the Period (2004: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

7. DIVIDENDS

The Directors of the Company do not recommend the payment of interim dividend (2004: Nil) in respect of the Period.

8. LOSS PER SHARE

The calculation of basic loss per share is based for the Period on the net loss of HK39,076,000 (2004: loss of HK$5,905,000), and on the weighted average number of 868,733,440 ordinary shares (2004: 868,733,440 ordinary shares) in issue throughout the periods.

Diluted loss per share for the Period is not shown as there are no potential ordinary shares in issue in current year. The diluted loss per share for six months ended 30 September 2004 has not been presented as the conversion price of the Company's outstanding convertible bonds was higher than the average market price of the Company's shares.

9. TRADE AND BILLS RECEIVABLES

The Group in general allows a credit period of 30 to 60 days to its trade customers. An aging analysis of the Group's trade and bills receivables (net of provision for bad and doubtful debts) is set out below:

	30 September 2005 *HK$'000* (unaudited)	31 March 2005 *HK$'000* (audited)
Less than 1 month	**25,809**	25,282
1 month to 2 months	**9,344**	2,071
2 months to 3 months	**5,823**	8,517
3 months to 6 months	**3,790**	4,899
6 months to 1 year	**–**	–
	44,766	40,769

10. TRADE PAYABLES

An aging analysis of trade payables is set out below:

	30 September 2005 *HK$'000* (unaudited)	31 March 2005 *HK$'000* (audited)
Less than 3 months	**22,662**	34,482
3 months to 6 months	**5,607**	16,854
6 months to 1 year	**27,859**	29,285
More than 1 year	**16,457**	4,975
	72,585	85,596

11. COMMITMENTS

	30 September 2005 HK$'000 (unaudited)	31 March 2005 HK$'000 (audited)
(a) Capital expenditure commitments		
Contracted but not provided for, net of deposits paid	**–**	3,032

(b) Commitment under operating leases

The Group had total future minimum lease payments under non-cancelable operating leases, which are payable as follows:

	30 September 2005 HK$'000 (unaudited)	31 March 2005 HK$'000 (audited)
Not later than 1 year	**615**	1,172
Later than 1 year and not later than 5 years	**7**	530
	622	1,702

12. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the Group has the following post balance sheet events:

(a) The Board received two notices from Taicang Port Area Branch Land Bureau and Taicang City Land Bureau respectively on 30 September 2005 that the property held by Jinda Plastic Metal Products (Shenzhen) Co. Ltd, a wholly owned subsidiary of the Company, was resumed by Taicang Government. Compensation for the resumption of the property to be paid by cash, of which RMB8,100,000 is the compensation for the land and RMB1,426,000 will be compensation for the buildings on the property. As at 31 March 2005, the property was valued by an independent valuer, Vigers Appraisal & Consulting Limited, at a total market value of RMB18,900,000 (equivalent to about HK$17,840,000) and an impairment of HK$8,018,000 has been recognised on the Group's prepaid lease payments on land use rights. A sum of RMB5,000,000 was paid on 30 September 2005. The balance of the compensation in respect of the land in the sum of RMB3,100,000 as determined by Taicang Government at its discretion and was paid on 26 October 2005. Taicang Government informed the Company on 25 October 2005 that the compensation for the buildings shall be RMB1,426,200 and shall be paid on or before 25 December 2005.

12. **POST BALANCE SHEET EVENTS (Continued)**

Details of resumption of property are set out in the press announcement on 18 October 2005 and the Company's Circular dated 8 November 2005.

(b) As at balance sheet date, provisional agreements for sale of certain properties held in Hong Kong to third parties were being entered for total consideration of HK$12,410,000.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Highlights

General Information

For the six months ended 30 September 2005, the Group recorded a turnover of approximately HK$136.7 million, representing a drop of 48% when compared with the HK$264.8 million reported for the corresponding period last year. The Group reported an operating loss of HK$26.5 million compared to an operating loss of HK$2.1 million last year, and a net loss attributable to shareholders of HK$39.1 million when compared to a net loss of HK$5.9 million during the same period last year. The Group's basic loss per share was HK4.5 cents.

No principal subsidiaries or associated companies were acquired or disposed of during the period under review, while investments held have not been materially changed from those disclosed in the latest annual report.

Liquidity and Financial Resources

As at 30 September 2005, the Group's net assets decreased to HK$58.3 million, rendering net asset value per share at HK6.7 cents. The Group's total assets at that date were valued at HK$356.7 million, including cash and bank deposits totaling approximately HK$9 million. Consolidated borrowings amounted to HK$176.2 million. Its debt-to-equity ratio has been increased, from 170% as at 31 March 2005 to 302% as at 30 September 2005.

Capital Structure of the Group

As at 30 September 2005, the Group's major borrowings included a three-year term loan provided by Bank of China, Baoan, Shenzhen, which had an outstanding balance of HK$74.8 million after paying installments of totaling HK$7.5 million during the period under review, and two short-term revolving loans totaling HK$65 million. During the period, a new secured short term loan of HK$15 million has been raised. All of the Group's borrowings have been denominated in Hong Kong dollars.

Charges on Group Assets

Certain assets of the Group having a carrying value of HK$193.9 million as at 30 September 2005 (31 March 2005: HK$188.6 million) were pledged to secure banking facilities of the Group.