

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The same accounting policies and method of computation are followed in this interim report as compared with the most recent annual audited financial statements. This interim report is prepared in compliance with the Statement of Standard Accounting Practice 2.125 “Interim Financial Reporting”.

2. SEGMENT INFORMATION

All of the Group’s turnover and profit/(loss) before tax are derived from the manufacture and trading of printed circuit boards and, accordingly, no analysis by activity for the period is presented. The Group’s sales operation is carried out in Hong Kong, an analysis of the Group’s turnover by geographical area of its end market is as follows:

	(Unaudited)	
	6 months ended	
	30 September	
	2001	2000
	<i>HK\$’000</i>	<i>HK\$’000</i>
Turnover by geographical area of end market:		
Hong Kong	27,979	26,961
Japan	25,685	28,138
Finland	22,916	27,071
Europe (excluding Finland and France)	14,886	5,829
Asia Pacific (excluding Hong Kong)	4,439	5,843
North America	246	25
France	—	1,845
	<u>96,151</u>	<u>95,712</u>

3. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax is arrived at after crediting and (charging):

	(Unaudited)	
	6 months ended	
	30 September	
	2001	2000
	<i>HK\$’000</i>	<i>HK\$’000</i>
Write back of provision for discretionary bonus	—	5,360
Net rental income	—	1,068
Bank interest income	715	1,643
Depreciation:		
Owned assets	(9,729)	(7,969)
Assets held under finance leases	(656)	(1,036)
Interest on:		
Bank loans and other loans wholly repayable within 5 years	(969)	(1,092)
Finance leases	<u>(946)</u>	<u>(276)</u>

4. TAX

	(Unaudited)	
	6 months ended	
	30 September	
	2001	2000
	HK\$'000	HK\$'000
Current period provision		
Hong Kong	—	—
Elsewhere	—	—
	—	—
Deferred tax credit	—	2,320
	—	2,320
	<u>—</u>	<u>2,320</u>

No provision for tax has been made for the current period as the Group companies have either no assessable profits or they have utilised tax losses brought forward from prior years to offset against assessable profits (2000: Nil).

Deferred tax is provided using the liability method, on all significant timing differences to the extent it is probable that the liability will crystallize in the foreseeable future. A deferred tax asset is not recognized until its realization is assured beyond reasonable doubt.

5. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the year ending 31 March 2002 to the shareholders (2001: Nil).

6. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/loss per share is based on the net loss attributable to shareholders for the period of HK\$5,088,000 (2000: net profit of HK\$2,335,000) and 466,013,785 shares (2000: 466,013,785 shares) in issue during the period.

The diluted earnings/loss per share for both periods has not been presented as the share options outstanding had an anti-dilutive effect on the basic earnings/loss per share for both periods.

7. FIXED ASSETS

	(Unaudited)	
	6 months ended	
	30 September	
	2001	2000
	HK\$'000	HK\$'000
Purchase of machinery and equipment	<u>77,994</u>	<u>4,939</u>

8. TRADE DEBTORS

The Group maintains a defined credit policy and normally allows an average credit period of 30 days to its trade customers. The aged analysis of trade debtors is as follows:

	(Unaudited) 30 September 2001 <i>HK\$'000</i>	(Audited) 31 March 2001 <i>HK\$'000</i>
Within 1 month	33,487	25,708
Over 1 month to 2 months	608	1,146
Over 2 months to 3 months	72	1,049
Over 3 months to 1 year	234	1,057
	<u>34,401</u>	<u>28,960</u>

9. TRADE CREDITORS

The aged analysis of trade creditors is as follows:

	(Unaudited) 30 September 2001 <i>HK\$'000</i>	(Audited) 31 March 2001 <i>HK\$'000</i>
Within 1 month	22,233	19,640
Over 1 month to 2 months	6,780	4,162
Over 2 months to 3 months	4,127	867
Over 3 months to 1 year	1,991	5
	<u>35,131</u>	<u>24,674</u>

10. CAPITAL AND RESERVES

There is no change in capital during the current period. The movements in reserves during the current period are reflected in the Condensed Consolidated Statement of Recognised Gains and Losses.

11. COMPARATIVE AMOUNTS

In order to enhance the comprehension of this interim report, certain comparative amounts have been reclassified to conform to the current period's presentation.