

Notes:

### 1. Principal accounting policies

The same principal accounting policies and methods of computation are followed in these interim financial statements as compared with the most recent published annual financial statements for the year ended 31 March 2003. These interim financial statements have been prepared in accordance with Statement of Standard Accounting Practice 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants.

### 2. Principal activities

The Company is an investment holding company. The principal activities of the Group are properties investment, manufacture and sale of electronic consumer products and snap off blade cutters.

### 3. Segment information

An analysis of the Group's turnover and profit from operations by business and geographical segments for the six months ended 30 September 2003 are as follows:

	Turnover	
	Six months ended 30 September	
	2003	2002
	HK\$	HK\$
<i>Business segments</i>		
Turnover		
– snap off blade cutters	23,659,864	22,567,957
– electronic consumer products	21,806,881	32,239,536
– corporate and others	1,593,849	1,136,610
	<u>47,060,594</u>	<u>55,944,103</u>
Results		
– snap off blade cutters	2,766,241	4,026,751
– electronic consumer products	2,151,685	4,864,892
– corporate and others	1,478,090	787,643
	<u>6,396,016</u>	9,679,286
Unallocated corporate income	–	3,008
Central administrative expenses	<u>(4,732,467)</u>	<u>(3,418,350)</u>
Profit from operating activities	1,663,549	6,263,944
Finance costs	(838,133)	(852,618)
Share of profits and losses of associates	<u>–</u>	<u>(133,252)</u>
Profit before tax	825,416	5,278,074
Tax	<u>(21,195)</u>	<u>(232,228)</u>
Net profit from ordinary activities attributable to shareholders	<u>804,221</u>	<u>5,045,846</u>

*Geographical segments (by location of customers)*

	Turnover		Profit/(Loss) from operations	
	Six months ended		Six months ended	
	30 September		30 September	
	2003	2002	2003	2002
	HK\$	HK\$	HK\$	HK\$
North America	7,160,802	6,168,792	973,226	1,067,306
Hong Kong	21,817,794	33,515,979	2,965,261	5,798,837
Europe	10,342,495	11,739,683	1,405,651	2,031,166
East Asia	2,932,583	1,094,821	398,568	189,423
Others	4,806,920	3,424,828	653,310	592,554
	<u>47,060,594</u>	<u>55,944,103</u>	<u>6,396,016</u>	<u>9,679,286</u>
Unallocated corporate income			-	3,008
Central administrative expenses			(4,732,467)	(3,418,350)
Profit from operations			<u>1,663,549</u>	<u>6,263,944</u>

**4. Turnover**

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and gross rental income received and receivable from investment properties during the period.

**5. Tax**

No (2002: 16%) profit tax has been provided on the estimated assessable profits arising in Hong Kong during the period. 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.

	Six months ended	Six months ended
	30 September	30 September
	2003	2002
	HK\$	HK\$
Hong Kong	-	218,834
Elsewhere	<u>21,195</u>	<u>13,394</u>
	<u>21,195</u>	<u>232,228</u>

**6. Earnings per share**

The calculation of basic earnings per share is based on the net profit from ordinary activities attributable to shareholders for the period of HK\$804,221 (2002: HK\$5,045,846) and on the weighted average of 4,544,501,421 shares (2002 : 4,544,457,705) in issue during the period.

## 7. Trade and bills receivables

The Group allows an average credit period of 60 days. The following is an aging analysis of trade receivables at the balance sheet date:

	As at 30 September 2003 HK\$	As at 31 March 2003 HK\$
Within 60 days	9,648,410	7,647,831
61 – 90 days	815,873	105,319
Over 90 days	780,010	570,085
	<u>11,244,293</u>	<u>8,323,235</u>

## 8. Trade payables

The following is an aging analysis of trade payables at the balance sheet date:

	As at 30 September 2003 HK\$	As at 31 March 2003 HK\$
Within 60 days	4,505,140	5,768,010
61 – 90 days	1,323,136	1,254,094
Over 90 days	3,203,611	2,122,232
	<u>9,031,887</u>	<u>9,144,336</u>

## 9. Share capital

	Number of shares	Amount HK\$
Authorised:		
At 30 September 2003, ordinary shares of HK\$0.01 each	<u>30,000,000,000</u>	<u>300,000,000</u>
Issued and fully paid:		
At 30 September 2003, ordinary shares of HK\$0.01 each	<u>4,544,857,705</u>	<u>45,448,577</u>