

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:

1. Basis of preparation and accounting policies

The unaudited interim financial statements have been prepared in accordance with Hong Kong Statement of Standard Accounting Practice 25, "Interim Financial Reporting" issued by Hong Kong Institute of Certified Public Accountants and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual report for the year ended 31st March, 2004.

2. Segment information

i. Business segment

Six months ended on 30th September (Unaudited)

	Property development and investment		Manufacturing and trading of plastic packaging material		Stock broking and finance		Eliminations		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$	HK\$	H K\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Turnover										
External sales	11,678,425	8,103,019	99,175,375	83,560,714	10,616,149	11,182,991	-	-	121,469,949	102,846,724
Inter-segment sales	820,269	882,598	-	-	-	-	(820,269)	(882,598)	-	-
Total revenue	12,498,694	8,985,617	99,175,375	83,560,714	10,616,149	11,182,991	(820,269)	(882,598)	121,469,949	102,846,724
Segment result	781,153	1,065,754	6,190,362	9,226,535	3,095,688	11,866,670			10,067,203	22,158,959
Finance costs									(2,043,810)	(2,317,311)
Share of (loss) profit of associates	237,289	44,107	(3,101,850)	82,206	-	-			(2,864,561)	126,313
Profit from ordinary activities before taxation									5,158,832	19,967,961
Taxation	(32,420)	-	(449,179)	-	(466,087)	(585,670)			(947,686)	(585,670)
Profit from ordinary activities after taxation									4,211,146	19,382,291
Minority interests	-	-	95,221	(411,864)	(5,515)	(15,318)			89,706	(427,182)
Profit attributable to shareholders									4,300,852	18,955,109

2. Segment information (Continued)

ii. Geographical segment

	Turnover	
	Six months ended	
	30th September,	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Hong Kong	23,758,572	23,834,317
Mainland China	3,145,079	993,306
North America	32,284,752	28,610,552
Europe	18,780,122	14,317,117
Australia	16,515,801	13,847,157
Asia	26,985,623	21,244,275
	<u>121,469,949</u>	<u>102,846,724</u>

3. Turnover

	Six months ended	
	30th September,	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Sale of goods	99,175,375	83,560,714
Sale of trading properties	3,032,761	–
Gross rental income	7,448,617	7,043,121
Brokerage commission	10,342,442	10,117,998
Guest house income	1,197,047	1,059,898
Gains on foreign exchange dealings	221,592	216,363
Dividend income	52,115	848,630
	<u>121,469,949</u>	<u>102,846,724</u>

4. Other revenues

	Six months ended 30th September,	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Interest income	1,937,879	1,296,833
Other income	1,188,745	919,854
Unrealised holding gains on other investments	189,660	3,249,138
(Loss) Profit on disposals of other investments	(29,463)	5,521,809
	<u>3,286,821</u>	<u>10,987,634</u>

5. Profit from operations

	Six months ended 30th September,	
	2004	2003
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Profit from operations is arrived at after charging:		
Cost of inventories sold	68,206,681	53,336,489
Cost of trading properties sold	3,669,743	-
Bad debts provision and written off	315,385	245,168
Exchange loss	-	577,700
Loss on disposal of property, plant and equipment	-	114,525
Staff costs (including directors' remuneration)	20,464,831	17,097,135
Salaries, wages and welfare	20,392,300	17,097,135
Severance payment	72,531	-
Operating lease rental in respect of land and building	297,000	294,000
Depreciation	<u>3,966,142</u>	<u>2,807,486</u>
and after crediting:		
Exchange gain	166,675	-
Gross rental income from Investment properties	7,448,617	7,043,121
Less: outgoings	(109,193)	(67,949)
Net rental income	<u>7,339,424</u>	<u>6,975,172</u>

6. Finance costs

	Six months ended 30th September,	
	2004 (Unaudited) HK\$	2003 (Unaudited) HK\$
Interest on:		
Bank loans and overdrafts wholly repayable within five years	1,266,550	1,742,109
Other borrowings	265,118	275,115
Bank charges	512,142	300,087
	<u>2,043,810</u>	<u>2,317,311</u>

7. Taxation

	Six months ended 30th September,	
	2004 (Unaudited) HK\$	2003 (Unaudited) HK\$
Company and subsidiaries		
Hong Kong Profits tax	571,642	585,670
Deferred taxation	377,291	–
	<u>948,933</u>	<u>585,670</u>
Share of taxation attributable to associates		
Hong Kong Profits tax	–	–
Overseas Profits tax overprovided	(1,247)	–
	<u>(1,247)</u>	<u>–</u>
	<u>947,686</u>	<u>585,670</u>

Hong Kong Profits tax has been provided at the rate of 17.5% (2003:17.5%) on the estimated assessable profits arising in Hong Kong for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the associates operate.

8. Earnings per share

The calculation of the earnings per share is based on the profit attributable to shareholders of HK\$4,300,852 (2003: HK\$18,955,109) and ordinary shares in issue of 197,653,500.

9. Trade and other receivables

The Group allows an average credit period of 30 days to 90 days to its trade customers.

The ageing analysis of trade receivables was as follows:

	30th September, 2004 (Unaudited) HK\$	31st March, 2004 (Audited) HK\$
0-1 month	160,446,199	121,445,800
2-3 months	11,042,059	8,661,329
Over 3 months	16,163,370	21,941,539
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	187,651,628	152,048,668
Less: provision for bad debts	(517,235)	(1,545,587)
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	187,134,393	150,503,081
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10. Trade and other payables

The ageing analysis of trade and other payables was as follows:

	30th September, 2004 (Unaudited) HK\$	31st March, 2004 (Audited) HK\$
0-1 month	157,064,399	162,420,012
2-3 months	5,987,824	14,679,153
Over 3 months	22,055,468	14,166,966
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	185,107,691	191,266,131
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11. Borrowings

	30th September, 2004 (Unaudited) HK\$	31st March, 2004 (Audited) HK\$
Secured bank overdrafts	11,732,126	93,135
Secured bank loans	118,849,470	103,308,821
	<u>130,581,596</u>	<u>103,401,956</u>
Secured bank loans and overdrafts repayable:		
Within one year	92,406,386	97,797,762
More than one year but not exceeding two years	13,831,613	5,457,194
More than two years but not exceeding five years	24,343,598	147,000
	<u>130,581,597</u>	<u>103,401,956</u>
Portion due within one year included under current liabilities	<u>(92,406,386)</u>	<u>(97,797,762)</u>
Portion due after one year	<u>38,175,211</u>	<u>5,604,194</u>

12. Share capital

	30th September, 2004 (Unaudited) HK\$	31st March, 2004 (Audited) HK\$
Authorized:		
200,000,000 shares of HK\$1.00 each	<u>200,000,000</u>	<u>200,000,000</u>
Issued and fully paid:		
197,653,500 shares of HK\$1.00 each	<u>197,653,500</u>	<u>197,653,500</u>

13. Commitments

As at 30th September 2004, the Group had commitments under non-cancellable operating leases in respect of land and buildings to make payment in the following periods as follows:

	30th September, 2004 (Unaudited) HK\$	31st March, 2004 (Audited) HK\$
Within one year	924,541	1,687,742
More than one year but not exceeding five years	74,942	271,742
	<u>999,483</u>	<u>1,959,484</u>

14. Future rental incomes

As at 30th September 2004, the total future rental incomes receivable under non-cancellable operating leases are analysed as follows:

	30th September, 2004 (Unaudited) HK\$	31st March, 2004 (Audited) HK\$
Within one year	9,640,935	9,608,158
More than one year but not exceeding five years	3,172,725	4,096,854
	<u>12,813,660</u>	<u>13,705,012</u>

15. Pledge of assets

As at 30th September, 2004, the Group had the following assets pledged to bank to secure general banking facilities granted to the Group.

	30th September, 2004 (Unaudited) HK\$	31st March, 2004 (Audited) HK\$
Investment properties in Hong Kong at valuation	242,450,000	242,450,000
Land & building in Hong Kong, at net book value	699,365	719,341
Time deposits	9,686,059	13,685,491
	<u>252,835,424</u>	<u>256,854,832</u>
Margin clients' Hong Kong listed shares, at market value	<u>48,223,586</u>	<u>26,608,878</u>

16. Contingent liabilities

	30th September, 2004 (Unaudited) HK\$	31st March, 2004 (Audited) HK\$
Bills discounted with recourse	5,264,159	10,733,874
Guarantees issued to banks in respect of bank facilities granted to:		
– Associates	6,810,000	6,810,000
in respect of mortgage loans granted to purchasers of trading properties	–	8,058,000
	<u>–</u>	<u>8,058,000</u>

17. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

- 18.** The unaudited interim financial statements for the six months ended 30th September, 2004 have been reviewed by the Audit Committee of the Company.