

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The condensed financial statements have been prepared in accordance 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 "Stock Exchange") (the "Listing Rules") and Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. Principal accounting policies

The condensed financial statements have been prepared under the historical cost convention, as modified for revaluation of investment properties.

The accounting policies adopted are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 March 2004.

未經審核簡明綜合財務報表附註

1. 編製基準

簡明財務報表已根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄16之適當披露規定及香港會計師公會頒佈之會計實務準則（「會計實務準則」）第25號「中期財務報告」所編製。

2. 主要會計政策

簡明財務報表已根據歷史成本法編製，並就投資物業重估作出修訂。

所採用之會計政策與本集團編製截至二零零四年三月三十一日止年度之綜合財務報表所採用者一致。

3. Segment information

(a) Geographical segments

The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of the goods manufactured or services rendered:

3. 分類資料

(a) 地區分類

下表乃按市場之地區對本集團之營業額作出分析，與產品之生產或服務之提供地域無關：

		Turnover 營業額		Segment results 分類業績	
		Six months ended 30 September 截至九月三十日止 六個月		Six months ended 30 September 截至九月三十日止 六個月	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
America	美洲	1,374,423	996,971	44,522	93,830
Europe	歐洲	397,652	389,854	9,730	34,078
Asia	亞洲	127,939	156,435	4,024	3,065
Others	其他	108,109	109,109	3,109	7,189
		2,008,123	1,652,369	61,385	138,162
Interest income	利息收入			535	993
Rental income	租金收入			3,468	1,049
Unallocated corporate expenses	未分配之公司開支			(5,567)	(6,861)
Profit from operations	經營溢利			59,821	133,343
Finance costs	融資成本			(1,941)	(2,105)
Share of results of associates	應佔聯營公司業績			547	547
Profit before taxation	除稅前溢利			58,427	131,785
Taxation	稅項			(4,570)	(11,149)
Net profit for the period	期內純利			53,857	120,636

3. Segment information (continued)

(b) Business segments

For the six months ended 30 September 2004, the Group's turnover represents the revenue generated from the electronics manufacturing services business ("EMS business"), which is engaged in design, manufacture and sales of electronic and electrical products. Accordingly, no business segment information is required.

For the six months ended 30 September 2003, the Group had been operated in two business segments, EMS business and motorcycle business which was engaged in the sales of motorcycle parts. As more than 90% of the Group's turnover, segment results and assets were attributable to the EMS business, the business segment information was not presented. The motorcycle business had been disposed of during the aforesaid period as detailed in note 4.

4. Discontinued business

During the six months ended 30 September 2003, the Group disposed of the entire share capital of Hangerton Group Limited, which together with its subsidiaries, carried out all of the Group's motorcycle business. The results of the motorcycle business which had been included in the unaudited condensed consolidated income statement from 1 April 2003 to the date of disposal were as follows:

		HK\$'000 千港元
Turnover	營業額	27,604
Cost of sales	銷售成本	(33,870)
Gross loss	毛虧	(6,266)
Administrative expenses	行政開支	(2,089)
Loss from operations	經營虧損	(8,355)
Finance costs	融資成本	(3)
Net loss for the period	期內虧損淨額	(8,358)

3. 分類資料 (續)

(b) 業務分類

截至二零零四年九月三十日止六個月，本集團之營業額來自電子製造服務業務(「EMS業務」)之收益。該項業務乃從事設計、製造及銷售電子及電器產品。因此，毋須呈列業務分類資料。

截至二零零三年九月三十日止六個月，本集團旗下共有兩項業務分類：EMS業務及從事銷售電單車零件之電單車業務。由於本集團超過90%之營業額、分類業績及資產乃源自EMS業務，因此並無呈列業務分類資料。電單車業務已於上述期間出售，詳情見附註4。

4. 已終止經營業務

截至二零零三年九月三十日止六個月，本集團已出售經營本集團所有電單車業務之Hangerton Group Limited及其附屬公司之全部股本。電單車業務之業績已計入由二零零三年四月一日至出售日期之未經審核簡明綜合收益表如下：

5. Profit from operations

5. 經營溢利

		Six months ended 30 September 截至九月三十日止六個月	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Profit from operations	經營溢利乃扣除		
has been arrived at after	(計入) 下列		
charging (crediting)	項目後得出：		
the following:			
Depreciation and	物業、機器		
amortisation of property,	及設備之折舊		
plant and equipment	及攤銷	35,681	28,073
Amortisation of deferred	遞延發展開支		
development expenditure	之攤銷	6,907	5,529
Loss on disposal of	出售物業、		
property, plant and	機器及設備		
equipment	之虧損	3,405	351
Interest income	利息收入	(535)	(993)

6. Taxation

6. 稅項

		Six months ended 30 September 截至九月三十日止六個月	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
The taxation charges comprise:	稅項支出包括：		
Current tax	現行稅項		
Hong Kong	香港		
Provided for the period	期內撥備	2,932	7,989
Overprovision in a prior year	於過往年度 超額撥備	-	(18)
		2,932	7,971
Deferred tax	遞延稅項		
Provided for the period	期內撥備	1,512	675
Attributable to change in tax rate in Hong Kong	因香港稅率變動 所產生	-	2,436
		1,512	3,111
Taxation attributable to the Company and its subsidiaries	本公司及其 附屬公司屬下 稅項	4,444	11,082
Share of taxation attributable to an associate	應佔一間 聯營公司 稅項	126	67
		4,570	11,149

Notes:

- (a) Hong Kong Profits Tax is calculated at 17.5% (2003: 17.5%) of the estimated assessable profit for the six months ended 30 September 2004.
- (b) Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

附註：

- (a) 香港利得稅乃根據截至二零零四年九月三十日止六個月之估計應課稅溢利按稅率17.5%(二零零三年：17.5%)作出撥備。
- (b) 其他司法權區之稅項乃根據各司法權區之現行稅率計算。

6. Taxation (continued)

- (c) The Group is currently appealing against assessments raised by the Hong Kong Inland Revenue Department (the "IRD") regarding the taxability of profits of certain subsidiaries for the years of assessment 1991/92 to 1995/96 ("Tax Appeal"). The IRD has determined that some profits of the Group in those periods should be Hong Kong sourced and hence taxable. The Tax Appeal has not yet been concluded at the balance sheet date.

For the years of assessment 1996/97 to 2002/03, the IRD has issued notices of assessment to the Group regarding the taxability of profits of certain subsidiaries under the Tax Appeal. The Group has also lodged objections against these assessments ("Objection").

Pending the outcome of the Tax Appeal and the Objection, the Group has made provision for the potential tax liabilities in the Group's balance sheet as at 30 September 2004 in accordance with the IRD's determination. Based on the legal counsel's advice, the Directors of the Company considered that there was no material under-provision of tax liabilities as at 30 September 2004.

7. Dividends

Special, approved, of nil cent (2003: HK8 cents) per share (Note)	已批准派發特別股息每股零港仙 (二零零三年: 8港仙) (附註)	-	63,417
Interim, proposed, of HK3.5 cents (2003: HK7 cents) per share	擬派中期股息每股3.5港仙 (二零零三年: 7港仙)	27,756	55,490
		27,756	118,907

Note: On 5 September 2003, the Directors approved the payment of a special dividend by utilizing the sales proceeds of HK\$63,892,000 from the disposal of motorcycle business.

6. 稅項 (續)

- (c) 本集團若干附屬公司現時與香港稅務局(「稅務局」)就一九九一年/九二年至一九九五年/九六年課稅年度之若干溢利應否繳付稅項而提出上訴(「上訴」)。稅務局認為若干附屬公司於該等期間之若干溢利乃源於香港，因此應繳付稅款。該稅務上訴於結算日仍未審決。

就一九九六年/九七年至二零零二年/零三年課稅年度，稅務局亦就稅務上訴項下若干附屬公司應否繳付稅款向本集團發出評估通知。本集團亦已就此等評估提出反對(「反對」)。

於等待上訴及反對結果期間，本集團已就潛在稅項負債作出撥備，而本集團於二零零四年九月三十日之資產負債表所呈列之稅項撥備乃根據稅務局決定作出。根據法律顧問之意見，本公司董事認為，於二零零四年九月三十日並無任何重大撥備不足之稅項負債。

7. 股息

Six months ended
30 September
截至九月三十日止六個月

2004	2003
二零零四年	二零零三年
HK\$'000	HK\$'000
千港元	千港元

-	63,417
27,756	55,490
27,756	118,907

附註：於二零零三年九月五日，董事批准透過動用出售電單車業務之銷售所得款項63,892,000港元以支付特別股息。

8. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

8. 每股盈利

每股基本及攤薄盈利乃按下列數據計算：

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Earnings	盈利		
Net profit for the period and earnings for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利之期內純利	53,857	120,636
Number of ordinary shares	普通股數目		
Weighted average number of shares for the purpose of basic earnings per share	就計算每股基本盈利之加權平均股數	793,016,684	792,716,684
Effect of dilutive potential shares – share options	具攤薄影響之股份 – 購股權	5,321,661	819,688
Weighted average number of shares for the purpose of diluted earnings per share	就計算每股攤薄盈利之加權平均股數	798,338,345	793,536,372

9. Property, plant and equipment

During the period, the Group spent approximately HK\$35 million on the construction of industrial buildings in the PRC, HK\$108 million on plant and machinery and invested HK\$17 million on moulds in order to upgrade its manufacturing capabilities.

9. 物業、廠房及設備

期內，本集團於其位於中國之廠房建設方面撥用約35,000,000港元、於機器及設備方面撥用108,000,000港元及於模具方面投資17,000,000港元，以提升其生產力。

10. Trade and other receivables and prepayments

Included in trade and other receivables and prepayments are trade receivables of approximately HK\$150,493,000 (31 March 2004: HK\$80,102,000) and their aging analysis is as follows:

		As at 30 September 2004	As at 31 March 2004
		於二零零四年 九月三十日	於二零零四年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Current – 30 days	即期 – 30日	150,002	79,911
31 – 60 days	31 – 60日	240	191
61 – 90 days	61 – 90日	251	–
		150,493	80,102

Customers are generally granted credit terms of letter of credit at sight to 30 days. Longer credit periods are granted to several customers which have long business relationship with the Group and strong financial position.

11. Trade and other payables

Included in trade and other payables are trade payables of approximately HK\$366,499,000 (31 March 2004: HK\$316,874,000) are trade payables and their aging analysis is as follows:

		As at 30 September 2004	As at 31 March 2004
		於二零零四年 九月三十日	於二零零四年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Current – 30 days	即期 – 30日	351,574	309,718
31 – 60 days	31 – 60日	7,557	2,552
61 – 90 days	61 – 90日	666	159
Over 90 days	90日以上	6,702	4,445
		366,499	316,874

10. 貿易及其他應收賬款及預付款項

計入貿易及其他應收賬款及預付款項之應收貿易賬款約150,493,000港元(二零零四年三月三十一日: 80,102,000港元)·彼等之賬齡分析如下:

客戶一般以放賬形式進行交易·賬齡為即期至30日信用狀。數位已與本集團建立長遠業務關係及本身之財政狀況穩健·故本集團給予較長之信貸期。

11. 貿易及其他應付賬款

計入貿易及其他應付賬款之貿易應付賬款約366,499,000港元(二零零四年三月三十一日: 316,874,000港元)·彼等之賬齡分析如下:

12. Contingent liabilities

At 30 September 2004, the Group had bills discounted with recourse to banks amounting to approximately HK\$142,314,000 (31 March 2004: HK\$132,467,000).

13. Capital Commitments**12. 或然負債**

於二零零四年九月三十日，本集團給予銀行具有追索權之貼現票據為數合共約142,314,000港元(二零零四年三月三十一日：132,467,000港元)。

13. 資本承擔

		As at 30 September 2004	As at 31 March 2004
		於二零零四年 九月三十日	於二零零四年 三月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the financial statements	已訂約但未於財務報表作出撥備之購置物業、廠房及設備之資本支出	48,481	69,811
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	已批准但未訂約之購置物業、廠房及設備之資本支出	978	6,874
		49,459	76,685

14. Related party transactions

During the period, the Group entered into the following significant transactions with related parties in the ordinary course of business:

14. 關連人士交易

期內，本集團與有關連人士於日常業務過程中曾進行以下重大交易：

		Six months ended	
		30 September	
		截至九月三十日止六個月	
		2004	2003
		二零零四年	二零零三年
		HK\$'000	HK\$'000
		千港元	千港元
Rental expenses paid to	向下列公司支付租金		
Man Fat Enterprise Company Limited (Note)	文發企業有限公司 (附註)	270	270
Geming Company Limited (Note)	錦聲有限公司 (附註)	216	216

Note: These represent rental expenses arising from the leasing of warehouses, car parks and office space from Man Fat Enterprise Company Limited and Geming Company Limited, companies in which Mr. Lam Man Chan and Ms. Ting Lai Ling, directors of the Company, have beneficial interests.

附註：此乃向文發企業有限公司及錦聲有限公司租用貨倉、停車場及辦公室所產生之租金支出。本公司董事林文燦先生及丁麗玲女士實益擁有該兩間公司之權益。