



NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants, and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The accounting policies and basis of preparation used in the preparation of these interim financial statements are the same as those used in the annual financial statements for the year ended 31 March 2004.

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and income from the provision of electroplating services.

An analysis of the Group's turnover and contribution to results by business and geographical segments are as follows:

(a) Business segments

	Clock and other office related products		Lighting products		Trading		Electroplating services		(Unaudited) Consolidated	
	Six months ended 30 September									
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Segment revenue:										
Sales to external customers	84,445	72,449	10,682	6,535	26,577	25,261	7,660	6,595	129,364	110,840
Segment results	5,036	4,035	673	432	183	306	1,493	1,800	7,385	6,573
Interest income									67	11
Net unallocated expenses									(3,739)	(4,317)
Profit from operations									3,713	2,267
Finance costs									(1,708)	(1,674)
Share of profit from associates									2	-
Profit before taxation									2,007	593
Taxation									(193)	(31)
Profit before minority interests									1,814	562
Minority interests									(266)	(270)
Net profit for the period									1,548	292

(b) Geographical segments

	North America		Europe		Hong Kong		People's Republic of China		Others		(Unaudited) Consolidated	
	2004		2004		2004		2004		2004		2004	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Six months ended 30 September											
Segment revenue:												
Sales to external customers	37,276	39,637	47,908	32,302	5,599	7,441	36,694	28,735	1,887	2,725	129,364	110,840

3. PROFIT FROM OPERATIONS

The Group's profit from operations has been arrived at after charging/(crediting):

	(Unaudited) Six months ended 30 September	
	2004 HK\$'000	2003 HK\$'000
Cost of inventories sold	89,980	74,744
Cost of services provided	7,286	4,538
Staff costs	15,615	22,466
Depreciation	5,256	4,728
Amortisation of goodwill	486	498
Amortisation of intangible assets	23	23
Net rental income	(360)	(451)
Interest income	(67)	(11)

4. FINANCE COSTS

	(Unaudited) Six months ended 30 September	
	2004 HK\$'000	2003 HK\$'000
Interest on:		
Bank loans and overdrafts	1,667	1,500
Other loans wholly repayable within five years	20	135
Finance leases	21	39



5. TAXATION

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 during the period.

Taxation for other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.

	(Unaudited)	
	Six months ended	
	30 September	
	2004	2003
	HK\$'000	HK\$'000
Hong Kong Profits Tax	80	(12)
Tax in other jurisdictions	113	43
	<hr/>	<hr/>
	193	31
	<hr/> <hr/>	<hr/> <hr/>

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the net profit for the period of HK\$1,548,000 (2003: HK\$292,000) and the weighted average number of 260,088,870 (2003: 240,699,872) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the six months ended 30 September 2004 is based on the net profit for the period of HK\$1,548,000 (2003: HK\$292,000). The weighted average number of ordinary shares used in the calculation was 260,088,870 (2003: 240,699,872) ordinary shares in issue, as used in the basic earnings per share calculation, and the weighted average number of 4,575,027 (2003: 4,244,404) ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during the period.

7. **TRADE AND BILLS RECEIVABLES**

Trading terms with customers are largely on credit, except for new customers where payment in advance is normally required. Invoices are normally payable within 30 days of issuance, except for certain well-established customers, where the terms are extended to 180 days.

The ageing of the Group's trade and bills receivables, based on the date of goods delivered, is analysed as follows:

	(Unaudited) As at 30 September 2004 HK\$'000	(Audited) As at 31 March 2004 <i>HK\$'000</i>
Within 90 days	28,500	28,725
Between 91 days to 365 days	35,448	29,275
Over 1 year	977	161
	<u>64,925</u>	<u>58,161</u>

8. **TRADE PAYABLES**

The ageing of the Group's trade payables, based on the date of goods received, is analysed as follows:

	(Unaudited) As at 30 September 2004 HK\$'000	(Audited) As at 31 March 2004 <i>HK\$'000</i>
Within 90 days	22,732	16,165
Between 91 days to 365 days	8,925	4,304
Over 1 year	1,041	1,360
	<u>32,698</u>	<u>21,829</u>