Notes:

1. BASIS OF PREPARATION

This interim financial report is unaudited but has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the Group's financial statements for the year ended 31 March 2005, except for the accounting policy changes that are expected to be reflected in the Group's financial statements for the year ending 31 March 2006. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes (The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since 31 March 2005). The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised HKFRSs, (which term collectively includes HKASs and interpretations) that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group's annual financial statements for the year ending 31 March 2006, on the basis of HKFRSs currently in issue.

The following sets out the changes in accounting policies for the annual accounting period beginning on 1 April 2005 which have been reflected in this interim financial report.

(a) Share option scheme (HKFRS 2, Share-based payment)

In prior years, no amounts were recognised when option holders were granted share options over shares in the Company. If the option holders chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the options' exercise price receivable.

With effect from 1 April 2005, in order to comply with HKFRS 2, the Group recognised the fair value of share options as an expense in the income statement, or as an asset, if the cost qualifies for recognition as an asset under the Group's accounting policies. A corresponding increase is recognised in a capital reserve within equity.

Where the option holders are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting period. Otherwise, the Group recognises the fair value in the period in which the options are granted.

If an option holder chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to retained profits.

The Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to the following grants of options:

(i) all options granted to option holders on or before 7 November 2002; and

(ii) all options granted to option holders after 7 November 2002 but which had vested before 1 April 2005.

As all the Group's options were granted to options holders before 7 November 2002, the adoption of HKFRS 2 has no impact on the Group's net assets and results for the prior and current periods.

(b) *Leasehold land and buildings held for own use (HKAS 17, Leases)*

In prior years, leasehold land and buildings held for own use were stated at revalued amounts less accumulated depreciation and accumulated impairment losses. Movements of revaluation surpluses or deficits were normally taken to the land and buildings revaluation reserve.

With the adoption of HKAS 17 as from 1 April 2005, the leasehold interest in the land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be separately identified from the fair value of the leasehold interest in the land at the time the lease was first entered into by the Group, or taken over from the previous lessee, or at the date of construction of those buildings, if later. In case the two elements cannot be allocated reliably, the entire lease is classified as a finance lease and carried at revalued amount less accumulated depreciation and accumulated impairment losses.

The new accounting policies have been adopted retrospectively, with the opening balances and the comparative information adjusted (increase/(decrease)) as follows:

(i) Consolidated balance sheet

	As at 1 April	
	2005	2004
	HK$	*HK$*
Retained profits	**(522,492)**	(612,288)
Land and buildings revaluation reserve	**(8,148,621)**	(8,372,235)
Exchange fluctuation reserve	**(163,837)**	(163,837)
Land and buildings	**(14,803,990)**	(15,279,000)
Leasehold land and land use rights	**1,955,540**	2,007,002
Deferred tax liabilities	**(4,013,500)**	(4,123,638)

(ii) Consolidated income statement

	For the six months ended 30 September	
	2005	2004
	HK$	*HK$*
Depreciation	**(70,625)**	(70,629)
Amortisation of leasehold land and land use rights	**26,480**	25,731

(c) *Amortisation of goodwill (HKFRS 3, Business combinations and HKAS 36, Impairment of assets)*

In prior periods:

– positive goodwill which arose prior to 1 April 2001 was taken directly to reserves at the time it arose, and was not recognised in the income statement until disposal or impairment of the acquired business;

– positive goodwill which arose on or after 1 April 2001 was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment.

With effect from 1 April 2005, in accordance with HKFRS 3 and HKAS 36, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generated unit to which the goodwill had been allocated exceeds its recoverable amount.

In accordance with the transitional arrangements under HKFRS 3, goodwill which had previously been taken directly to reserve (i.e. goodwill which arose before 1 April 2001) will not be recognised in the income statement on disposal or impairment of the acquired business, or under any other circumstances.

This change in accounting policy had no effect on the Group's net assets and results for prior and current periods.

(d) *Investment properties (HKAS 40, Investment property)*

The adoption of HKAS 40 has resulted in a change in accounting policy for investment property. Prior to this, changes in the value of investment properties are dealt with as movements in the investment property revaluation reserve. If the total of this reserve is insufficient to cover a deficit, the excess of the deficit is charged to the income statement. Any subsequent revaluation surplus is credited to the income statement to the extent of the deficit previously charged. After the adoption of HKAS 40, any changes in value of investment properties are dealt with in the income statement. This change in accounting policy had no effect on the Group's net assets and results for prior and current periods as the Group had revaluation decreases on its investment properties in the past.

(e) *Deferred taxation (HKAS-Interpretation 21 Income taxes – recovery of revaluation non-depreciable assets ("HKAS-INT 21"))*

The adoption of HKAS-INT 21 has resulted in a change in accounting policy for the deferred tax treatment on the Group's investment properties. Prior to 1 April 2005, deferred tax on changes in fair value of investment properties arising from revaluation was not provided on the basis that the recovery of the carrying amount would be through sale and was calculated at the tax rate applicable on eventual sale. Following the adoption of HKAS-INT 21, the deferred tax arising from revaluation of the investment properties is required to be valued on the basis that the recovery of the carrying amount of the properties would be through use and calculated at the profits tax rate and is charged to the income statement. This change in accounting policy had no material effect on the Group's net assets and results for prior and current periods.

3. 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.

4. SEGMENT INFORMATION

The analysis of the Group's turnover and profit/(loss) from operations by business and geographical segments for the six months ended 30 September 2005 and 2004 are as follows:

	Six months ended 30 September 2005 (Unaudited) HK$	2004 (Unaudited and restated) HK$
Business segments		
TURNOVER		
– snap off blade cutters	**21,357,372**	21,480,293
– electronic consumer products	**37,901,711**	10,716,948
– corporate and others	**1,508,377**	1,678,740
	60,767,460	33,875,981
RESULTS		
– snap off blade cutters	**389,268**	(740,382)
– electronic consumer products	**(3,606,709)**	(3,812,037)
– corporate and others	**1,505,723**	1,565,687
	(1,711,718)	(2,986,732)
CENTRAL ADMINISTRATIVE EXPENSES	**(5,669,466)**	(4,622,430)
LOSS FROM OPERATIONS	**(7,381,184)**	(7,609,162)
FINANCE COSTS	**(1,079,912)**	(1,243,456)
LOSS BEFORE TAXATION	**(8,461,096)**	(8,852,618)
TAXATION	**–**	–
LOSS FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS	**(8,461,096)**	(8,852,618)

Geographical segment (by location of customers)

	Turnover Six months ended 30 September		Loss from operations Six months ended 30 September	
	2005	2004	**2005**	2004
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited and restated)
	HK$	*HK$*	***HK$***	*HK$*
North America	**6,165,726**	6,987,311	**173,679**	616,048
Hong Kong	**40,295,490**	12,178,739	**1,135,057**	1,073,759
Europe	**7,440,747**	5,829,440	**209,593**	513,962
East Asia	**5,303,125**	2,193,914	**149,380**	193,430
Others	**1,562,372**	6,686,577	**44,009**	589,533
	60,767,460	33,875,981	**1,711,718**	2,986,732
Central administrative expenses			**5,669,466**	4,622,430
Loss from operations			**7,381,184**	7,609,162

5. 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.

6. LOSS FROM OPERATING ACTIVITIES

The Group's loss from operating activities is arrived at after charging/(crediting):

	Six months ended 30 September	
	2005	2004
	(Unaudited)	(Unaudited and restated)
	HK$	*HK$*
Depreciation	**1,727,578**	1,730,675
Amortisation of leasehold land and land use rights	**26,480**	25,731
Interest income	**(4,820)**	(20,387)

7. TAXATION

No provision for income tax has been made in the financial statements as the Group has no estimated assessable profit for the period (2004: Nil).

8. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to shareholders for the period of HK$8,461,096 (2004: HK$8,852,618 as restated) and on the weighted average number of 260,547,066 shares (2004: 241,496,560 as adjusted) in issue during the period. The weighted average number of shares for both periods has been adjusted for the consolidation of every twenty of the Company's ordinary shares of HK$0.01 each into one ordinary share of HK$0.20 as set out in note (13).

Diluted loss per share has not been disclosed as the impact of the potential ordinary shares was anti-dilutive for both periods.

9. **PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 September 2005, the Group acquired property, plant and equipment at a cost of HK$2,761,080 (Six months ended 30 September 2004: HK$906,812).

10. **INTERESTS IN ASSOCIATES**

	As at 30 September 2005 (Unaudited) *HK$*	As at 31 March 2005 (Audited) *HK$*
Share of net assets	**–**	–
Due from associates	**15,254,562**	16,025,387
	15,254,562	16,025,387
Provision for impairment	**(15,254,562)**	(16,025,387)
	–	–

11. **TRADE AND BILLS RECEIVABLES**

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

	As at 30 September 2005 (Unaudited) *HK$*	As at 31 March 2005 (Audited) *HK$*
Age		
Within 60 days	**8,823,165**	6,783,415
61-90 days	**4,889,497**	727,044
Over 90 days	**1,234,857**	2,879,001
	14,947,519	10,389,460

12. **TRADE PAYABLES**

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

	As at 30 September 2005 (Unaudited) *HK$*	As at 31 March 2005 (Audited) *HK$*
Age		
Within 60 days	**9,770,458**	6,530,879
61-90 days	**6,195,945**	1,425,517
Over 90 days	**5,426,411**	3,127,004
	21,392,814	11,083,400

13. SHARE CAPITAL

	Ordinary shares of HK$0.20 each		Ordinary shares of HK$0.01 each	
	Number of shares	Amount *HK$*	Number of shares	Amount *HK$*
Authorised:				
At 1 April 2005 (Audited)	–	–	30,000,000,000	300,000,000
Consolidation of shares – *note (a)*	1,500,000,000.00	300,000,000	(30,000,000,000)	(300,000,000)
At 30 September 2005 (Unaudited)	1,500,000,000.00	300,000,000	–	–
Issued and fully paid:				
At 1 April 2005 (Audited)	–	–	4,869,957,705	48,699,577
Consolidation of shares – *note (a)*	243,497,885.25	48,699,577	(4,869,957,705)	(48,699,577)
Issue of new shares – *note (b)*	48,000,000.00	9,600,000	–	–
At 30 September 2005 (Unaudited)	291,497,885.25	58,299,577	–	–

Notes:

(a) Pursuant to an ordinary resolution passed at the special general meeting on 4 May 2005, every twenty ordinary shares of HK$0.01 each in the issued and unissued share capital were consolidated into one ordinary share of HK$0.20 each.

(b) On 14 July 2005, the Company and an independent subscriber entered into a conditional agreement for the subscription of 48,000,000 new shares of HK$0.20 each at a price of HK$0.26 per share for a total of HK$12,480,000.

14. RELATED PARTY TRANSACTIONS

(a) During the period, the Group had the following transactions with Twin Base Limited ("Twin Base"), a company in which Mr. Chong Sing Yuen's spouse, Mrs. Chong Cheng Man Shan ("Mrs. Chong") has a beneficial interest:

(i) The Group paid rentals of approximately HK$237,000 (2004: HK$237,000) to Twin Base for a motor vehicle. The rentals were charged in accordance with a motor vehicle rental agreement.

(ii) As at 30 September 2005, Twin Base had pledged certain of its property interests to a bank to secure the credit facilities to the extent of HK$12,899,980 (31 March 2005: HK$12,899,980) granted to the Group.

(b) During the period, the Group had the following material transactions with its associates:

		Six months ended 30 September	
	Notes	**2005 (Unaudited) *HK$***	2004 (Unaudited) *HK$*
Purchases of raw materials from an associate	(i)	**167,224**	251,634
Management fee received from an associate	(ii)	**72,000**	72,000

(i) The purchases from an associate were made according to the prices mutually agreed between the associate and the Group.

(ii) The management fee was charged based on mutually agreed terms between the associate and the Group.

(c) In July 2005, the Company entered into new facilities agreements with Mrs. Chong to extend the repayment of the previous credit facility of HK$8,000,000 from 31 July 2005 to 31 July 2006 and converted the loan of HK$5,660,000 into a one-year standby facility to 20 July 2006. These facilities were fully utilised as at 30 September 2005. In addition, as at 30 September 2005, Mrs. Chong had also made advance of HK$1,998,111 to the Group (2004: HK$330,000). The advance was unsecured, interest-free and repayable on demand.

15. OPERATING LEASE COMMITMENTS

(a) The Group as lessor:

The Group had total future minimum lease payments receivable under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 September 2005 (Unaudited)	As at 31 March 2005 (Audited)
	HK$	*HK$*
Not later than one year	**3,234,854**	2,971,753
In the second to fifth years, inclusive	**6,581,115**	6,931,241
Over five years	**2,093,424**	2,312,597
	11,909,393	12,215,591

(b) The Group as lessee:

The Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

	As at 30 September 2005 (Unaudited)	As at 31 March 2005 (Audited)
	HK$	*HK$*
Within one year	**434,500**	197,500

16. COMPARATIVE FIGURES

In current periods, the Group has adopted new and revised HKFRSs as mentioned in note (2) for the first time. The presentation in the current period's financial statements has been modified in order to conform the requirements of the standards. Comparative figures have been restated in order to achieve a consistent presentation.

17. POST BALANCE SHEET EVENT

Subsequent to the balance sheet date, Levington Associates Limited, an associate of the Group, disposed of all its interest in Genfield Enterprises Limited, a wholly owned subsidiary of Levington Associates Limited, at a consideration of HK$202,910.

18. APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report was approved and authorised for issue by the board on 23 December 2005.