

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Directors are responsible for preparing the Group’s unaudited interim financials. These unaudited interim financials have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRs”), which also include Hong Kong Accounting Standards (“HKASs”) and Interpretations, including Hong Kong (International Financial Reporting Interpretations Committee) Interpretation (“HK(IFRIC)-INT”), issued by the Hong Kong Institute of Certified Public Accountants (“the HKICPA”), and accounting principles generally accepted in Hong Kong.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the Consolidated Financial Statements for the year ended March 31, 2006.

The following new standards, amendments to standards and interpretations which are relevant to the Group’s operations are mandatory for financial year ending March 31, 2006:

HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plan and Disclosures
HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates – Net investment in a foreign operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 & HKFRS 4 (Amendments)	Financial Guarantee Contracts
HK(IFRIC)-INT 4	Determining whether an arrangement contains a lease

The adoption of new/revised HKAS 19 (Amendment), 21 (Amendment), 39 (Amendment), HKFRS 4 (Amendment) and HK(IFRIC)-INT 4 did not result in substantial changes to the Group’s accounting policies.

The following new standards, amendments to standards and interpretations relevant to the Group’s operations have been issued but are not effective for 2006 and have not been early adopted:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC)-INT 8	Scope of HKFRS 2
HK(IFRIC)-INT 9	Reassessment of Embedded Derivatives
HK(IFRIC)-INT 10	Interim Financial Reporting and Impairment

3. SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to (loss)/profit from operations by business segments is as follows:

	Turnover		Contribution to (loss)/ profit from operations	
	Six months ended		Six months ended	
	September 30,		September 30,	
	2006	2005	2006	2005
	HK\$'m	HK\$'m	HK\$'m	HK\$'m
Sales and manufacture of:				
LCD Consumer Electronic Products	444.4	475.2	(34.6)	(25.0)
Telecommunication Products	204.5	147.1	(19.6)	(40.1)
Electronic Learning Products	462.2	360.3	65.3	11.7
Other consumer electronic products	49.0	214.4	(27.0)	(117.7)
	1,160.1	1,197.0	(15.9)	(171.1)
Interest income			2.9	3.6
Unallocated corporate expense			(6.7)	(3.9)
Finance costs			(14.9)	(9.9)
Loss before taxation			(34.6)	(181.3)
Taxation			5.9	7.6
Loss for the period			(28.7)	(173.7)

An analysis of the Group's turnover by geographical market of its customers is as follows:

	Turnover	
	Six months ended	
	September 30,	
	2006	2005
	HK\$'m	HK\$'m
Americas	608.5	527.2
Europe	411.1	412.8
Asia Pacific	140.5	257.0
	1,160.1	1,197.0

4. LOSS BEFORE TAXATION

	Six months ended September 30,	
	2006 HK\$'m	2005 HK\$'m
Loss before taxation has been arrived at after charging:		
Depreciation and amortisation of property, plant and equipment	29.6	35.0
Amortisation of intangible assets	26.9	32.1
Loss on disposal of property, plant and equipment	5.2	2.4
and after crediting:		
Interest income	2.9	3.6
	29.6	35.0
	26.9	32.1
	5.2	2.4
	2.9	3.6

5. TAXATION

The credit (charge) consists of:

	Six months ended September 30,	
	2006 HK\$'m	2005 HK\$'m
Taxation of the Company and its subsidiaries:		
Hong Kong Profits Tax	(13.5)	(7.6)
Tax in other jurisdictions	(0.1)	0.1
Deferred taxation	19.5	15.1
	5.9	7.6

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profit for the period. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

As previously announced, protective assessments totalling approximately HK\$57.4 million relating to years of assessment from 1997/98 to 2004/05 have been raised to one of the Group's subsidiaries on its offshore tax claim. The Group, with the advice from its tax advisor, is working on an appropriate basis of settlement with the Hong Kong Inland Revenue Department (the "HK IRD"). In the meantime, the Group has purchased tax reserve certificates of HK\$42.9 million in relation to years of assessment from 1997/98 to 2003/04 and has issued a bank guarantee of HK\$3.6 million in relation to year of assessment 2004/05. The amount of tax reserve certificates is included as "tax reserve certificate" in the balance sheet. No provision for Hong Kong Profits Tax had been made in the financial statements of the Group. The Group cannot predict when this issue will be resolved and further announcement will be made once an appropriate basis of settlement is agreed with the HK IRD and the extent of tax liability is known.

6. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the equity holders of the Company for the period is based on the following data:

	Six months ended September 30,	
	2006	2005
	HK\$'m	HK\$'m
Loss for the period attributable to equity holders of the Company and loss for the purposes of basic and diluted earnings per share	(40.6)	(184.2)
Number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,298,950,415	2,175,659,820
Effect of dilutive potential ordinary shares:		
Share options	101,033	1,465,338
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,299,051,448	2,177,125,158

The computation of diluted loss per share during both periods does not assume the exercise of the Company's share options since their conversion would result in a decrease in loss per share.

7. TRADE AND OTHER RECEIVABLES

The Group allows its trade customers a credit period normally ranging from letter of credit at sight to 60 days open account to customers with long business relationship and strong financial position.

The following is an aged analysis of trade receivables at the reporting date:

	At September 30, 2006 HK\$'m	At March 31, 2006 HK\$'m
Not yet due	499.2	217.5
Overdue less than 31 days	26.9	17.8
Overdue 31 to 90 days	3.9	22.4
Overdue more than 90 days	1.7	6.2
	531.7	263.9
Other receivables	100.4	92.9
	632.1	356.8

The Group's trade receivables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	RMB HK\$'m	US Dollars HK\$'m	Euro Dollars HK\$'m	British Pounds HK\$'m	Singapore Dollars HK\$'m	New Zealand Dollars HK\$'m
As at September 30, 2006	-	232.3	-	0.1	0.2	1.1
As at March 31, 2006	1.8	84.8	3.1	-	-	-

8. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the reporting date:

	At September 30, 2006 HK\$'m	At March 31, 2006 HK\$'m
Not yet due	161.5	84.6
Overdue less than 31 days	63.6	40.4
Overdue 31 to 90 days	7.4	17.3
Overdue more than 90 days	7.1	12.6
	239.6	154.9
Other payables	381.7	215.0
	621.3	369.9

The Group's trade payables that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

	JPY HK\$'m	RMB HK\$'m	US Dollars HK\$'m	Euro Dollars HK\$'m	New Zealand Dollars HK\$'m
As at September 30, 2006	2.8	2.2	85.2	0.3	0.1
As at March 31, 2006	0.8	1.5	54.5	0.5	-

9. SHARE CAPITAL

	Number of shares	Amount HK\$'m
At April 1, 2006	2,085,225,907	208.5
Issue of shares on the rights issue	417,045,181	41.7
At September 30, 2006	2,502,271,088	250.2