

*Notes:***1. PRINCIPAL ACCOUNTING POLICIES**

The condensed financial statements have been prepared in accordance with the Statement of Standard Accounting Practice (“SSAP”) No. 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants (“HKSA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The accounting policies adopted are consistent with those followed in the Group’s annual financial statements for the year ended 30 April 2002, except as described below.

In the current period, the Group has adopted, for the first time, the following new and revised SSAPs issued by the HKSA:

SSAP 1 (Revised)	Presentation of financial statements
SSAP 11 (Revised)	Foreign currency translation
SSAP 15 (Revised)	Cash flow statements
SSAP 34	Employee benefits

The adoption of these SSAPs has resulted in a change in the format of presentation of the cash flow statement and the statement of changes in equity, but has had no significant effect on the results for the current or last periods. Accordingly, no prior period adjustment is required and the comparative amounts for the last period have been restated in order to achieve a consistent presentation.

## 2. SEGMENT INFORMATION

### (a) Business segments

#### Group

For the six months ended 31 October

	Adaptors and transformers		Electrical products		Others		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:								
Sales to external customers	<u>32,229</u>	<u>55,752</u>	<u>26,036</u>	<u>62,543</u>	<u>4,137</u>	<u>7,084</u>	<u>62,402</u>	<u>125,379</u>
Segment results	<u>1,798</u>	<u>2,506</u>	<u>3,063</u>	<u>3,974</u>	<u>(3,404)</u>	<u>(3,366)</u>	<u>1,457</u>	<u>3,114</u>
Unallocated income							669	2,015
Unallocated expenses							<u>(12,097)</u>	<u>(11,664)</u>
Loss from operating activities							<u>(9,971)</u>	<u>(6,535)</u>
Finance costs							<u>(1,013)</u>	<u>(1,359)</u>
Loss before tax							<u>(10,984)</u>	<u>(7,894)</u>
Tax							<u>-</u>	<u>-</u>
Net loss from ordinary activities attributable to shareholders							<u>(10,984)</u>	<u>(7,894)</u>

### (b) Geographical segments

#### Group

For the six months ended 31 October

	Europe		North America		Japan		PRC and others		Consolidated	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:										
Sales to external customers	<u>10,258</u>	<u>45,744</u>	<u>15,924</u>	<u>12,293</u>	<u>20,006</u>	<u>25,865</u>	<u>16,214</u>	<u>41,477</u>	<u>62,402</u>	<u>125,379</u>
Segment results	<u>998</u>	<u>2,384</u>	<u>1,067</u>	<u>1,684</u>	<u>2,254</u>	<u>2,115</u>	<u>(2,862)</u>	<u>(3,069)</u>	<u>1,457</u>	<u>3,114</u>

**3. LOSS FROM OPERATING ACTIVITIES**

The Group's loss from operating activities is arrived at after charging:

	<b>Six months ended</b>	
	<b>31 October</b>	
	<b>2002</b>	<b>2001</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation:		
Owned fixed assets	<b>6,800</b>	6,855
Leased fixed assets	<b>1,231</b>	2,133
Amortization of deferred cost	<b>704</b>	833

**4. TAX**

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the current and last period.

The Group did not have any significant unprovided deferred tax liabilities as at 31 October 2002.

**5. LOSS PER SHARE**

The calculation of basic loss per share is based on the net loss from ordinary activities attributable to shareholders for the period of HK\$10,984,000 (2001: HK\$7,894,000) and the weighted average of 2,843,110,000 (2001: 2,747,360,000) ordinary shares in issue during the period.

The calculation of diluted loss per share is based on the net loss from ordinary activities attributable to shareholders for the period of HK\$10,984,000 and 2,853,305,000 ordinary shares, being the weighted average number of ordinary shares in issue during the period, adjusted for the effects of dilutive potential ordinary shares outstanding during the period.

The diluted loss per share was not presented for the last corresponding period ended 31 October 2001 as there were no dilutive potential ordinary shares.

**6. INTEREST IN ASSOCIATES**

	<b>31 October 2002 HK\$'000</b>	<b>30 April 2002 HK\$'000</b>
Share of net assets	<b>12,318</b>	12,318
Goodwill on acquisition	<b>784</b>	886
Due from an associate	<b>2,344</b>	2,344
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	<b>15,446</b>	15,548
Provision for impairment	<b>(4,490)</b>	(4,490)
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	<b>10,956</b>	11,058
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**7. LONG TERM INVESTMENTS**

	<b>31 October 2002 HK\$'000</b>	<b>30 April 2002 HK\$'000</b>
Unlisted investments, at cost	<b>39,902</b>	39,902
Loan to an investee company	<b>2,000</b>	2,000
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	<b>41,902</b>	41,902
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Provision	<b>(37,902)</b>	(37,902)
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	<b>4,000</b>	4,000
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## 8. TRADE RECEIVABLES

The ageing analysis of the trade receivables is as follows:

	31 October 2002 <i>HK\$'000</i>	30 April 2002 <i>HK\$'000</i>
Within 90 days	30,972	29,973
Between 91 and 180 days	770	395
Over 180 days	—	—
	<u>31,742</u>	<u>30,368</u>

The credit period granted by the Group varies by customer. The Group grants its customers an average credit period of 30 days from the date of recognition of the sale. An estimate for doubtful debts is made and deducted when collection of the full amount is no longer probable. Bad debts are written off as incurred.

## 9. TRADE AND BILLS PAYABLES

The ageing analysis of the trade and bills payables is as follows:

	31 October 2002 <i>HK\$'000</i>	30 April 2002 <i>HK\$'000</i>
Within 90 days	25,431	23,474
Between 91 and 180 days	1,442	935
Over 180 days	87	132
	<u>26,960</u>	<u>24,541</u>