

## Notes:

### 1. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated 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 Institute of Certified Public Accountants (“HKICPA”) (formerly known as Hong Kong Society of Accountants (“HKSA”)).

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the annual financial statements for the year ended 30 April 2004.

### 2. SEGMENT INFORMATION

#### Business segments

For the six months ended 31 October

	Electrical products		Adaptors and transformers		Others		Total	
	2004	2003	2004	2003	2004	2003	2004	2003
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment turnover								
Sales to external customers	85,243	68,756	18,724	26,264	1,178	5,127	105,145	100,147
Segment results	5,748	6,326	(2,813)	1,096	(4,213)	(4,966)	(1,278)	2,456
Unallocated income							97	1,479
Unallocated expenses							(10,005)	(14,607)
Loss from operations							(11,186)	(10,672)
Finance costs							(517)	(818)
Gain on disposal of an associate							2,000	—
Loss for the period							(9,703)	(11,490)

**2. SEGMENT INFORMATION** *(continued)***Geographical segments***For the six months ended 31 October*

	Turnover by geographical market	
	2004 HK\$'000	2003 HK\$'000
Japan	63,550	65,989
People's Republic of China ("PRC")	26,470	11,180
North America	10,099	17,578
Europe and others	5,026	5,400
	105,145	100,147

**3. LOSS FROM OPERATIONS**

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

	Unaudited Six months ended 31 October	
	2004 HK\$'000	2003 HK\$'000
Depreciation:		
Owned assets	3,604	5,668
Assets under finance leases	54	343
Amortisation of deferred costs	1,254	669

**4. TAXATION**

No provision for Hong Kong Profits Tax is made in the financial statements as the Company's Hong Kong subsidiaries have no assessable profit for the period.

No PRC tax provision is made as the PRC subsidiary incurred a tax loss for the period.

## 5. LOSS PER SHARE

The calculation of basic loss per share is based on the net loss from the period of HK\$9,703,000 (2003: HK\$11,490,000) and the weighted average of 3,415,156,522 (2003: 2,903,200,000) ordinary shares in issue during the current and the last periods.

## 6. PROPERTY, PLANT AND EQUIPMENT

During the period, the additions to property, plant and equipment were approximately HK\$1,605,000 (2003: HK\$503,000); the total net book value of property, plant and equipment disposed was approximately HK\$139,000 (2003: HK\$57,000).

## 7. TRADE RECEIVABLES

The aging analysis of the trade receivable is stated as follows:

	<b>Unaudited</b> <b>31 October</b> <b>2004</b> <i>HK\$'000</i>	Audited 30 April 2004 <i>HK\$'000</i>
Within 90 days	<b>17,665</b>	20,277
Between 91 and 180 days	<b>3,993</b>	214
Over 180 days	<b>2,523</b>	1,874
	<b>24,181</b>	22,365

## 8. TRADE PAYABLES

The aging analysis of the trade payables is stated as follow:

	<b>Unaudited</b> <b>31 October</b> <b>2004</b> <i>HK\$'000</i>	Audited 30 April 2004 <i>HK\$'000</i>
Within 90 days	<b>30,271</b>	28,589
Between 91 and 180 days	<b>3,566</b>	3,420
Over 180 days	<b>5,004</b>	5,836
	<b>38,841</b>	37,845

# 9. BANK AND OTHER BORROWINGS

Bank and other borrowings comprise:

	Unaudited 31 October 2004 HK\$'000	Audited 30 April 2004 HK\$'000
Bank loans	8,496	13,298
Bank overdrafts	2,776	1,394
Other borrowings	6,434	4,000
Trust receipt loans	550	2,391
	<b>18,256</b>	<b>21,083</b>

# 10. SHARE CAPITAL

	No of ordinary shares	Amount HK\$'000
<i>Authorized:</i>		
Ordinary shares of HK\$ 0.01 each		
At 1 May and 31 October 2004	5,000,000,000	50,000

	No of ordinary shares		Amount	
	2004	2003	2004 HK\$'000	2003 HK\$'000
<i>Issued and fully paid:</i>				
Ordinary shares of HK\$ 0.01 each				
At 1 May	3,403,200,000	2,903,200,000	34,032	29,032
Issue of shares on placement	550,000,000	—	5,500	—
At 31 October	3,953,200,000	2,903,200,000	39,532	29,032

Pursuant to the placing agreement dated 11 October 2004, the Company had placed 550,000,000 ordinary shares of HK\$ 0.01 each at a price of HK\$ 0.012 per share. The placing shares were allotted and issued on 28 October 2004. All these shares rank pari passu in all respects among themselves and with the existing issued shares. The net proceeds were used as the Group's general working capital.

### 11. CAPITAL COMMITMENT

The Group had no capital commitment at the balance sheet date.

### 12. CONTINGENT LIABILITIES

The Company has given unlimited cross guarantees to banks to secure general banking facilities granted to the Company and its subsidiaries. At the balance sheet date, the facilities utilized by the Company and its subsidiaries were approximately HK\$7,742,000 (2003: HK\$12,868,000).

### 13. POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the Group has entered into a placing agreement on 22 December 2004 for a placing of 130,640,000 ordinary shares of HK\$0.01 each at the price of HK\$0.016 per share. On 6 January 2005, 130,640,000 ordinary shares of HK\$ 0.01 each were issued which rank pari passu with the existing shares. The net proceeds were used as the Group's working capital. These new shares were issued under the general mandate granted to the directors at the annual general meetings of the Company held on 24 September 2004.

On 15 January 2005, a circular was dispatched to all shareholders to convene special general meeting on 31 January 2005 to consider a proposal to increase the authorised share capital and the refreshment of the general mandate to allot and issue shares.