



DAISHO MICROLINE HOLDINGS LIMITED

大昌微綫集團有限公司

中期報告
Interim Report 2005

UNAUDITED INTERIM REPORT

The Board of Directors (the "Board") of Daisho Microline Holdings Limited (the "Company") is pleased to present the unaudited interim report of the Company and its subsidiaries (the "Group") for the 6 months ended 30 September 2005 as follows:

未經審核中期報告

大昌微綫集團有限公司(「本公司」)董事會(「董事會」)欣然提呈本公司及其附屬公司(「本集團」)截至二零零五年九月三十日止六個月期間之未經審核中期報告如下：

CONSOLIDATED INCOME STATEMENT

綜合收益表

		(Unaudited) (未經審核)		
		6 months ended 30 September 截至九月三十日止之六個月		
		2005 二零零五年	2004 二零零四年	
		HK\$'000 港幣千元	HK\$'000 港幣千元	
	Notes 附註			
TURNOVER	營業額	3	251,507	121,701
Cost of sales	銷售成本		(160,361)	(109,972)
Gross profit	毛利		91,146	11,729
Other revenue and gains	其他收入		841	648
Selling and distribution costs	銷售及分銷成本		(44,968)	(7,894)
Administrative expenses	行政開支		(14,079)	(10,801)
Other operating expenses	其他營運開支		(2,535)	(715)
PROFIT/(LOSS) FROM OPERATIONS	經營溢利／(虧損)		30,405	(7,033)
Finance costs	融資成本	4	(1,136)	(646)
PROFIT/(LOSS) BEFORE TAXATION	除稅前溢利／(虧損)	4	29,269	(7,679)
Income tax	稅項	5	(3,494)	-
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司股權持有人 應佔除稅後 溢利／(虧損)		25,775	(7,679)
INTERIM DIVIDEND	中期股息	6	-	-
EARNINGS/(LOSS) PER SHARE	每股盈利／(虧損)	7		
- Basic	- 基本		HK5.53 cents港仙	(HK1.65) cent港仙
- Diluted	- 攤薄後		HK5.51 cents港仙	(HK1.65) cent港仙

CONSOLIDATED BALANCE SHEET

綜合資產負債表

			(Unaudited) (未經審核) 30 September 2005 二零零五年 九月三十日	(Audited) (已審核) 31 March 2005 二零零五年 三月三十一日 (restated) (重列)
		Notes 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產			
Fixed assets	固定資產	8	158,387	131,509
Prepaid land lease payments	預付土地租金		4,136	4,121
			<u>162,523</u>	<u>135,630</u>
CURRENT ASSETS	流動資產			
Inventories	存貨		36,001	38,564
Trade debtors	應收貿易賬款	9	106,640	62,996
Sundry debtors, prepayments & deposits	其他應收賬款、 預付款項及按金		11,511	2,760
Cash and bank balances	現金及銀行結存		16,712	7,169
			<u>170,864</u>	<u>111,489</u>
CURRENT LIABILITIES	流動負債			
Trust receipt loans	入口單據貸款		2,226	16,294
Trade creditors	應付貿易賬款	10	81,214	51,685
Other creditors and accruals	其他應付賬款及費用		41,674	18,646
Finance leases and hire purchase contract payables	應付融資租約 及租購合同		13,729	6,739
Bank loans	銀行貸款		6,669	11,456
Other loans, secured	其他有抵押貸款		2,166	2,115
Current tax payable	應付稅項		2,358	-
			<u>150,036</u>	<u>106,935</u>
NET CURRENT ASSETS	流動資產淨值		<u>20,828</u>	<u>4,554</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		<u>183,351</u>	<u>140,184</u>
NON-CURRENT LIABILITIES	非流動負債			
Finance leases and hire purchase contract payables	應付融資租約 及租購合同		21,507	12,140
Bank loans	銀行貸款		6,937	2,216
Other loans, secured	其他有抵押貸款		182	1,278
Deferred tax liabilities	遞延稅項負債		480	-
			<u>29,106</u>	<u>15,634</u>
			<u>154,245</u>	<u>124,550</u>
CAPITAL AND RESERVES	股本及儲備			
Issued capital	已發行股本		46,601	46,601
Reserves	儲備		107,644	77,949
			<u>154,245</u>	<u>124,550</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

		(Unaudited) (未經審核)					
		6 months ended 30 September 2005 截至二零零五年九月三十日止六個月					
		(Accumulated					
		Issued capital 已發行股本 HK\$'000 港幣千元	Share premium account 股份 溢價賬 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Exchange equalisation reserve 匯兌平衡 儲備 HK\$'000 港幣千元	losses)/ retained profits (累計虧損)/ 保留溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 31 March 2005 and 1 April 2005	於二零零五年三月三十一日 及二零零五年四月一日	46,601	90,038*	9,379*	(17,742)*	(3,726)*	124,550
Exchange realignment and net gains not recognised in the income statement	匯兌調整及並未於收益表內 確認之淨收益	-	-	-	3,920	-	3,920
Profit after taxation attributable to equity holders of the Company	本公司股權持有人 應佔除稅後溢利	-	-	-	-	25,775	25,775
At 30 September 2005	於二零零五年九月三十日	<u>46,601</u>	<u>90,038*</u>	<u>9,379*</u>	<u>(13,822)*</u>	<u>22,049*</u>	<u>154,245</u>

		(Unaudited) (未經審核)					
		6 months ended 30 September 2004 截至二零零四年九月三十日止六個月					
		(Accumulated					
		Issued capital 已發行股本 HK\$'000 港幣千元	Share premium account 股份 溢價賬 HK\$'000 港幣千元	Contributed surplus 繳入盈餘 HK\$'000 港幣千元	Exchange equalisation reserve 匯兌平衡 儲備 HK\$'000 港幣千元	losses)/ retained profits (累計虧損)/ 保留溢利 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 31 March 2004 and 1 April 2004	於二零零四年三月三十一日 及二零零四年四月一日	46,601	90,038	9,379	(17,916)	10,539	138,641
Exchange realignment and net gains not recognised in the income statement	匯兌調整及並未於收益表內 確認之淨收益	-	-	-	150	-	150
Loss after taxation attributable to equity holders of the Company	本公司股權持有人 應佔除稅後虧損	-	-	-	-	(7,679)	(7,679)
At 30 September 2004	於二零零四年九月三十日	<u>46,601</u>	<u>90,038</u>	<u>9,379</u>	<u>(17,766)</u>	<u>2,860</u>	<u>131,112</u>

* These reserve accounts comprise the consolidated reserves of HK\$107,644,000 (31 March 2005: HK\$77,949,000) in the consolidated balance sheet.

* 在綜合資產負債表之綜合儲備港幣107,644,000元(二零零五年三月三十一日:港幣77,949,000元)由此等儲備賬戶組成。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

		(Unaudited) (未經審核)	
		6 months ended 30 September 截至九月三十日止之六個月	
		2005 二零零五年	2004 二零零四年
		HK\$'000 港幣千元	HK\$'000 港幣千元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動之現金流量		
Profit/(loss) before taxation	除稅前溢利／(虧損)	29,269	(7,679)
Net adjustments for non-cashflow items	調整非現金流量項目淨額	19,295	17,149
		<u>48,564</u>	<u>9,470</u>
Operating profit before working capital changes	未計流動資金變動前經營溢利	48,564	9,470
Net decrease/(increase) in working capital	流動資金之減少／(增加)淨額	1,048	(4,646)
		<u>49,612</u>	<u>4,824</u>
Cash generated from operations	經營產生之現金	49,612	4,824
Net interest payment	利息支付淨額	(1,042)	(621)
Net tax payment	已付所得稅	(656)	-
		<u>47,914</u>	<u>4,203</u>
Net cash inflow from operating activities	經營活動之現金流入淨額	47,914	4,203
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動之現金流量		
Net cash outflow from investing activities	投資活動之現金流出淨額	(18,544)	(2,595)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動之現金流量		
Net cash (outflow)/inflow from financing activities	融資活動之現金(流出)／流入淨額	(21,506)	1,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目之增加淨額	7,864	2,608
Cash and cash equivalents at beginning of the period	於期初之現金及現金等值項目	7,169	7,376
Effect of foreign exchange rate changes, net	匯兌率變動之影響，淨值	1,679	39
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	於期終之現金及現金等值項目	16,712	10,023
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結存之分析		
Cash and bank balances	現金及銀行結存	16,712	10,023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報告附註

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim report has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The accounting policies and methods of computation used in the preparation of this interim report are the same as those adopted in preparing the annual audited financial statements for the year ended 31 March 2005, except that the Group has changed certain of its accounting policies following its adoption of the new/revised Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and Interpretations (hereinafter collectively referred to as the “new HKFRSs”) which are effective for accounting periods beginning on or after 1 January 2005.

The changes to the Group’s accounting policies and the effect of adopting these new policies are set out in note 2 below.

2. CHANGES IN ACCOUNTING POLICIES

The adoption of the new HKFRSs has no material effect on the results of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment is required. The adoption of the new HKFRSs has resulted in certain changes in the presentation of this interim report as set out below. Certain comparative figures have been reclassified to conform with the current period’s presentation.

(a) Employee share option scheme (HKFRS 2, “Shared-based Payment”)

In prior years, no amounts were recognised when employees (which term includes directors) of the Group were granted share options over shares in the Company. If the employees chose to exercise the options, the nominal amount of issued capital and share premium account were credited only to the extent of the option’s exercise price receivable.

With effect from 1 April 2005, in order to comply with HKFRS 2, the Group recognises the fair value of such share options as an expense in the income statement. A corresponding increase is recognised in a capital reserve within equity.

1. 編製基準及會計政策

本中期報告乃按照香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」及香港聯合交易所有限公司證券上市規則（「上市規則」）附錄16之規定而編製。

編製本中期報告時採用的會計政策及計算方法，與本集團編製截至二零零五年三月三十一日止年度經審核之財務報表時採用的會計政策及計算方法一致，但本集團於採納新訂或修訂香港財務報告準則、香港會計準則及註釋（以下統稱新訂「香港財務報告準則」）後，已改變若干會計政策。該等「新訂香港財務報告準則」於二零零五年一月一日或之後開始的會計期間生效。

本集團會計政策之變動及採納該等新訂政策而產生的影響載於下文附註2。

2. 會計政策之變動

採納新訂香港財務報告準則對即期或過往會計期間本集團之業績並無重大影響。因此，不需對過往期間作出調整。採納新訂香港財務報告準則對本中期報告之呈列造成若干下文所載之變動。若干比較數字已重新分類以符合本期間之呈列方式。

(a) 僱員股份期權計劃（香港財務報告準則第2號－「以股份形式付款」）

在以往年度，本公司並無在本集團僱員（包括董事）獲授予購入本公司股份的股份期權時確認任何數額。如果僱員選擇行使股份期權，入賬的股本面值及股份溢價賬只限於股份期權行使價的應收金額。

由二零零五年四月一日起，為了遵照香港財務報告準則第2號的規定，本集團於收益表內把這些股份期權的公允價值確認為支出，相應的增加則在股權內的資本儲備中確認。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

(a) Employee share option scheme (HKFRS 2, "Shared-based Payment") (Continued)

For share options which are required to be held by the employees for a period before exercise ("vesting period"), the cost of the share options is recognised over the vesting period, from the date of grant till the employees become fully entitled to the share options. For share options which do not have any vesting period, the cost is fully recognised in the period in which the options are granted.

If the employees choose to exercise options, the related capital reserve is transferred to the share premium account while the proceeds net of any directly attributable costs are credited to share capital and share premium account. If the options lapse unexercised, the related capital reserve is transferred directly to retained profits.

The share options granted to employees of the Group up to 30 September 2005 were all granted after 7 November 2002 but had all vested before 1 April 2005.

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 options that were granted after 7 November 2002 but vested before 1 April 2005. Hence, there is no effect on the results of the Group for the 6 months ended 30 September 2005 and 30 September 2004, and the reserves as at those dates.

(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 cost less accumulated depreciation and any impairment losses.

2. 會計政策之變動 (續)

(a) 僱員股份期權計劃 (香港財務報告準則第2號 – 「以股份形式付款」) (續)

倘若僱員在行使股份期權前需要持有一段時間(「歸屬期間」)，則股份期權之成本將於授予當天起直至僱員開始完全有權行使止之歸屬期間內確認。倘若股份期權並無歸屬期間，有關成本將於授予期間全數確認。

當僱員選擇行使股份期權時，相關的資本儲備會轉入股份溢價賬內，而收取的款項(扣除任何直接應計成本)撥入股本及股份溢價賬內。如果股份期權失效而未被行使，相關的資本儲備則會直接轉入保留溢利內。

所有於二零零五年九月三十日前授予本集團僱員之股份期權乃於二零零二年十一月七日後授予，但於二零零五年四月一日前歸屬。

本集團已應用香港財務報告準則第2號第53段所載之過渡條文，對所有於二零零二年十一月七日後授予，但於二零零五年四月一日前歸屬之股份期權，並未採納新確認及計量政策。因此，並無對本集團截至二零零五年九月三十日及二零零四年九月三十日止六個月之業績及於該等日期之儲備構成任何影響。

(b) 自用之租賃土地及樓宇 (香港財務報告準則第17號 – 「租約」)

於過往期間，持有自用之租賃土地及樓宇均以成本值減累計折舊及任何減值虧損列賬。

2. CHANGES IN ACCOUNTING POLICIES (Continued)

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

With the adoption of HKAS 17 as from 1 April 2005, the interest in leasehold land and land use rights is classified as an operating lease, because the title of the land is not expected to pass to the Group by the end of the lease term, and is reclassified from fixed assets to prepaid land lease payments, while leasehold buildings continue to be classified as part of fixed assets. Land lease payments for leasehold land and land use rights paid under operating leases are amortized in the income statement on the straight-line basis over the lease term or where there is impairment, the impairment is expensed in the income statement.

This change in accounting policy has no effect on the consolidated income statement and retained profits. The comparative amounts on the consolidated balance sheet as at 31 March 2005 have been restated to reflect the reclassification of leasehold land and land use rights in both non-current assets and current assets.

3. TURNOVER AND SEGMENT INFORMATION

The principal activities of the Group are the manufacture and trading of printed circuit boards. There was no change in the nature of the Group's principal activities during the current period.

Turnover represents the net invoiced value of goods sold, after allowances for goods returns and trade discounts.

(a) Business segment

The Group has only one business segment, which is the manufacture and trading of printed circuit boards. Therefore, no business segment analysis is presented.

2. 會計政策之變動 (續)

(b) 自用之租賃土地及樓宇 (香港財務報告準則第17號 – 「租約」) (續)

由二零零五年四月一日起採納香港財務報告準則第17號後，於租賃土地及土地使用權之權益被分類為營業租約，因為預期土地所有權不會於租約期滿時轉讓給本集團，並由固定資產重新分類為預付土地租金，而租賃樓宇則繼續分類為固定資產。為租賃土地及土地使用權所付之預付土地租金於租賃期內以直線法於收益表內扣除，如出現減值，則減值將於收益表內扣除。

這項會計政策的變動對綜合收益表及保留溢利並無影響。於二零零五年三月三十一日之綜合資產負債表內之比較數字已經重列，藉以反映將租賃土地及土地使用權重新分類至非流動資產及流動資產。

3. 營業額及分類資料

本集團之主要業務為製造及銷售綫路板。本期間內，本集團之主要業務並無變更。

營業額指扣除退貨及折扣後銷貨之發票淨值。

(a) 業務分類

本集團只從事製造及銷售綫路板之業務。因此並無呈列業務分類之分析。

3. TURNOVER AND SEGMENT INFORMATION (Continued)

(b) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers.

3. 營業額及分類資料 (續)

(b) 地區分類

在呈列按地區劃分之資料時，收入分類乃按客戶所處地區為基準。

		(Unaudited) (未經審核)	
		6 months ended 30 September 截至九月三十日止之六個月	
		2005 二零零五年	2004 二零零四年 (restated) (重列)
		HK\$'000 港幣千元	HK\$'000 港幣千元
Segment revenue:	收入分類：		
Sales to external customers	銷售予對外客戶		
Mainland China	中國大陸	120,360	28,299
Estonia	愛沙尼亞	37,476	32,620
Europe (excluding Estonia)	歐洲(愛沙尼亞除外)	38,019	11,623
Hong Kong	香港	22,529	21,023
Japan	日本	18,312	15,135
Others	其他	14,811	13,001
		<u>251,507</u>	<u>121,701</u>

4. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after crediting and (charging):

4. 除稅前溢利／(虧損)

除稅前溢利／(虧損)已計入及(扣除)：

		(Unaudited) (未經審核)	
		6 months ended 30 September 截至九月三十日止之六個月	
		2005 二零零五年	2004 二零零四年 (restated) (重列)
		HK\$'000 港幣千元	HK\$'000 港幣千元
(a) Finance costs:	(a) 融資成本：		
Interest on:	利息於：		
Bank loans and other loans wholly repayable within five years	須於五年內全數償還之銀行貸款及其他貸款	(618)	(602)
Finance leases and hire purchase contracts	融資租約及租購合同	(518)	(44)
		<u>(1,136)</u>	<u>(646)</u>
(b) Other items:	(b) 其他成本：		
Depreciation	折舊	(18,153)	(16,436)
Amortization of land lease payments	土地租金分攤	(58)	(58)
Staff costs (including directors' remuneration)	員工成本 (包括董事酬金)	(14,880)	(11,605)
Bank interest income	銀行利息收入	51	10

5. INCOME TAX

Hong Kong profits tax has not been provided for the current period as all companies of the Group either had no assessable profits for the current period or had utilized tax losses brought forward from prior years to offset the assessable profits arising during the current period. Overseas profits tax has been provided for at the applicable local rate on the estimated assessable profits of the individual company concerned.

Deferred tax has been provided on temporary differences using the current applicable rate.

5. 稅項

由於本期間本集團所有公司並無應課稅溢利或本期間產生之應課稅溢利已被往年度承前之稅損所抵消，故此本期間並無就利得稅項撥備。海外稅項準備乃根據各個別公司估計應課稅溢利以該地之適用稅率計算。

遞延稅項準備乃基於暫時性差異以現行適用稅率計算。

5. INCOME TAX (Continued)

Current tax – Overseas 本期稅項－海外
Deferred tax 遞延稅項

5. 稅項 (續)

		(Unaudited) (未經審核)	
		6 months ended 30 September 截至九月三十日止之六個月	
		2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
		3,014	–
		480	–
		3,494	–

6. INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the year ending 31 March 2006 to the shareholders (2005: Nil).

6. 中期股息

董事會決議不宣派截至二零零六年三月三十一日止年度之任何中期股息予股東。(二零零五年：無)。

7. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit after taxation attributable to equity holders of the Company of HK\$25,775,000 (2004: loss after taxation of HK\$7,679,000) and the weighted average number of 466,013,785 (2004: 466,013,785) ordinary shares in issue during the period.

7. 每股盈利／(虧損)

(a) 基本每股盈利／(虧損)

基本每股盈利／(虧損)乃根據本期間本公司股權持有人應佔除稅後溢利港幣25,775,000元(二零零四年：除稅後虧損港幣7,679,000元)及本期間內已發行普通股的加權平均數466,013,785股(二零零四年：466,013,785股)計算。

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(loss) per share is based on the profit after taxation attributable to equity holders of the Company of HK\$25,775,000 (2004: loss after taxation of HK\$7,679,000) and the weighted average number of 467,888,459 (2004: 466,395,918) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

(b) 攤薄後每股盈利／(虧損)

攤薄後每股盈利／(虧損)乃根據本期間本公司股權持有人應佔除稅後溢利港幣25,775,000元(二零零四年：除稅後虧損港幣7,679,000元)及就所有具備潛在攤薄影響的普通股作出調整後的普通股加權平均數467,888,459股(二零零四年：466,395,918股)計算。

7. EARNINGS/(LOSS) PER SHARE (Continued)

(c) Reconciliation

Weighted average number of ordinary shares used in calculating basic earnings/(loss) per share

Deemed issue of ordinary shares for no consideration arising from share options

Weighted average number of ordinary shares used in calculating diluted earnings/(loss) per share

用作計算基本每股盈利／(虧損)的普通股加權平均數

源自股份期權被視為不計價款發行的普通股

用作計算攤薄後每股盈利／(虧損)的普通股加權平均數

7. 每股盈利／(虧損) (續)

(c) 對賬

(Unaudited)

(未經審核)

6 months ended 30 September

截至九月三十日止之六個月

2005

二零零五年

Number of shares

股份數目

2004

二零零四年

Number of shares

股份數目

466,013,785

466,013,785

1,874,674

382,133

467,888,459

466,395,918

8. FIXED ASSETS

Purchase of plant and equipment

8. 固定資產

(Unaudited)

(未經審核)

6 months ended 30 September

截至九月三十日止之六個月

2005

二零零五年

HK\$'000

港幣千元

2004

二零零四年

HK\$'000

港幣千元

43,354

6,535

9. TRADE DEBTORS

The Group has a policy which allows an average credit period of 60 days to its customers. An aged analysis of the trade debtors as at the period end, based on the payment due date and net of provisions, is as follows:

Current to within 1 month	即期或逾期一個月內
1 to 2 months	逾期一至二個月內
2 to 3 months	逾期二至三個月內
Over 3 months	逾期三個月以上

10. TRADE CREDITORS

An aged analysis of the trade creditors as at the period end, based on the payment due date, is as follows:

Current to within 1 month	即期或逾期一個月內
1 to 2 months	逾期一至二個月內
2 to 3 months	逾期二至三個月內
Over 3 months	逾期三個月以上

9. 應收貿易賬款

本集團之信貸政策通常給予客戶平均60天之賬期。於本期間末，按到期付款日計算減除撥備之應收貿易賬款之賬齡分析如下：

(Unaudited) (未經審核)	(Audited) (已審核)
30 September 2005 二零零五年 九月三十日 HK\$'000 港幣千元	31 March 2005 二零零五年 三月三十一日 HK\$'000 港幣千元
105,418	60,525
1,030	1,007
51	225
141	1,239
<u>106,640</u>	<u>62,996</u>

10. 應付貿易賬款

於本期間末，按到期付款日計算之應付貿易賬款之賬齡分析如下：

(Unaudited) (未經審核)	(Audited) (已審核)
30 September 2005 二零零五年 九月三十日 HK\$'000 港幣千元	31 March 2005 二零零五年 三月三十一日 HK\$'000 港幣千元
71,039	45,131
6,214	4,655
3,187	1,679
774	220
<u>81,214</u>	<u>51,685</u>

11. CAPITAL COMMITMENTS

The Group had the following capital commitments as at the period end:

Capital commitments,
Contracted but not provided for,
in respect of machinery and equipment

資本支出承擔
已簽訂合約但未入賬
關於機器及設備

(Unaudited) (未經審核)	(Audited) (已審核)
30 September 2005 二零零五年 九月三十日	31 March 2005 二零零五年 三月三十一日
HK\$'000 港幣千元	HK\$'000 港幣千元
34,499	6,064
34,499	6,064

12. SHARE OPTION SCHEME

The Company operates a share option scheme for the purpose of encouraging the eligible participants to perform their best in achieving the goals of the Company and at the same time allows the eligible participants to enjoy the results of the Company attained through their effort and contribution. Eligible participants of the share option scheme include any full-time employees, directors or professional advisers of the Company or any of its subsidiaries or associated companies. The share option scheme became effective on 28 August 2003 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The share options previously granted by the Company were vested at the date of grant and will be settled by shares.

11. 資本支出承擔

於期末，本集團有下列資本支出承擔：

12. 股份期權計劃

本公司設立一項股份期權計劃，藉以鼓勵合資格參與者盡其所能，達成本公司的目標，並同時讓合資格參與者享受彼等之努力及貢獻為本公司帶來之成果。合資格參與者包括本公司或其任何附屬或聯營公司的任何全職僱員、董事或專業顧問。股份期權計劃於二零零三年八月二十八日生效，並除非另被註銷或經修訂，將由該日起計十年內一直有效。

本公司過往曾授予的股份期權於授予日期已獲歸屬，並將會以股份結算。

12. SHARE OPTION SCHEME (Continued)

As at 30 September 2005, 15,300,000 share options which were granted on 15 June 2004 remained unexercised. These share options are exercisable during the period from 15 June 2004 to 14 June 2009 at an exercise price of HK\$0.20 per share. If these outstanding share options are fully exercised, they shall represent approximately 3.3% of the existing issued share capital of the Company. Movements of share options during the 6 months ended 30 September 2005 are as follows:

		Number of share options 股份期權數目
At 1 April 2005	於二零零五年四月一日	16,250,000
Granted during the current period	在本期間內授予	–
Exercised during the current period	在本期間內行使	–
Lapsed during the current period	在本期間內失效	950,000
		<hr/>
At 30 September 2005	於二零零五年九月三十日	<u>15,300,000</u>

13. COMPARATIVE FIGURES

Certain comparative figures have been restated as a result of the changes in accounting policies as set out in note 2.

12. 股份期權計劃 (續)

於二零零五年九月三十日，合計15,300,000份股份期權尚未被行使。該等股份期權於二零零四年六月十五日由本公司授予，可於二零零四年六月十五日起至二零零九年六月十四日止期間內，按每股港幣0.2元之行使價予以行使。若所有尚未行使的股份期權獲全數行使，它們將佔本公司現時已發行股本約3.3%。截至二零零五年九月三十日止六個月內之股份期權變動如下：

13. 比較數字

某些比較數字因為附註2所載會計政策之變動已作出重列。

MANAGEMENT DISCUSSION AND ANALYSIS BUSINESS REVIEW

Thanks to the substantial orders for High Density Inter-connect (“HDI”) printed circuit boards (“PCB”) and the gradual improvement in the operating environment commencing from December 2004 onwards, the Group’s previous investment in advanced machinery for the manufacture of HDI PCB has begun to bear fruit. The contribution of HDI PCB to the Group’s turnover and profits during the current period was particularly significant.

The Group’s turnover during the current period was about 107% higher than the last corresponding period. The percentage of the sales value of HDI PCB on the Group’s turnover for the current period and the last corresponding period was about 68% and 22% respectively. The Group’s turnover during the current period was a great leap forward resulting mainly from the fact that the Group has finally become an approved vendor for the provision of HDI PCB to its telecommunication customers from December 2004 onwards after passing through these customers’ lengthy and stringent approval process.

The Group’s gross profit percentage has improved significantly from 9.6% for the last corresponding period to 36.2% for the current period. The poor returns for the last corresponding period was primarily attributable to the sharp increase in the purchase prices of certain major raw material items such as copper foil and laminate etc., and the strategic postponement of selling price increase. On the contrary, the considerable returns for the current period was mainly due to the volume discount on bulk purchase of raw material arising from the big jump in sales orders and the fact that the Group could ask for a higher selling price for HDI PCB because there were not enough PCB manufacturers who are capable of manufacturing high quality HDI PCB for mobile phones with large volume under the requirement of short delivery time.

管理階層之討論及分析 業務回顧

從二零零四年十二月起，由於大量高密度互連綫路板的訂單及營運環境逐步地改善，本集團前期投資於製造高密度互連綫路板的先進機器已開始有成果。本期間高密度互連綫路板的銷售訂單對本集團的總營業額及溢利的貢獻尤其明顯。

本集團本期間的總營業額比對去年同期增長約107%，而本期間高密度互連綫路板的銷售價值佔本集團營業額約68%，而去年同期有關百分比約為22%。本集團本期間的總營業額有如此大躍進，主要因為本集團從二零零四年十二月起成功地通過電子通訊客戶漫長及嚴格的審批程序，成為彼等客戶高密度互連綫路板的認可生產供應商。

本集團本期間的毛利率亦由去年同期的9.6%大幅上升至36.2%。去年同期回報不理想的主要原因是若干主要原材料如銅箔及敷銅板等的採購價大幅上升，以及策略性地延遲提高銷售價。相反地，在本期間銷售訂單大量增加的情況下，本集團大批量採購原材料獲取可觀的折扣優惠。同時，由於有能力大量製造高密度互連綫路板並能在短時間出貨的綫路板製造商十分短缺，故本集團可要求客戶為高密度互連綫路板支付較高的銷售價。亦因為以上原因，本期間本集團能獲取相當理想的回報。

The percentage of the selling and distribution costs on the Group's turnover for the current period and the last corresponding period was 17.8% and 6.5% respectively. Because the magnitude of the profits from the Group's sales orders has a direct bearing on the level of the Group's selling and distribution costs, the higher selling and distribution costs for the current period was reasonable. In fact, the selling and distribution costs have been fully reflected in the Group's selling price quotations and they have been borne by the customers indirectly.

FINANCIAL REVIEW

The Group's gearing ratio (i.e. the ratio of the Group's aggregate outstanding balances of the finance leases and hire purchase contract payables, other loans and bank borrowings to shareholders' fund) at 30 September 2005 and 31 March 2005 was 0.35 times and 0.42 times respectively while the Group's current ratio at 30 September 2005 and 31 March 2005 was 1.14 times and 1.04 times respectively. Because the Group can generate substantial net cash inflow from its PCB operating activities, these financial ratios will improve further during the second half of the current financial year.

As at 30 September 2005, the Group's aggregate outstanding balances of the finance leases and hire purchase contract payables, other loans and bank borrowings amounting to HK\$53,416,000 (31 March 2005: HK\$52,238,000) out of which HK\$24,790,000 (31 March 2005: HK\$36,604,000) were repayable within the next 12 months. These borrowings were all denominated in either Hong Kong dollars ("HK\$") or United States dollars ("US\$"), originally repayable monthly over 3 years (except for the bank borrowings totaling HK\$2,226,000 (31 March 2005: HK\$24,414,000) which were originally repayable within 3 months) and subjected to floating interest rates for about 70% (31 March 2005: 86%) of them. The Group has not adopted any interest rate hedging tool for these borrowings. Certain machinery and equipment of the Group with a net book value at 30 September 2005 of HK\$48,389,000 (31 March 2005: HK\$28,484,000) were pledged to secured these borrowings.

在本期間及去年同期，本集團的銷售及分銷成本佔總營業額的百份比分別為17.8%及6.5%。因為本集團銷售訂單中利潤的大小與銷售及分銷成本的水平是有直接關係，所以本期間較高的銷售及分銷成本亦屬合理。實際上，銷售及分銷成本已在報價時反映在銷售價中並間接轉嫁至客戶。

財務回顧

於二零零五年九月三十日及二零零五年三月三十一日，本集團的負債與資本比率(即應付融資租約及租購合同、其他有抵押貸款及銀行借款的總額與股東權益的比率)分別為0.35倍及0.42倍。於二零零五年九月三十日及二零零五年三月三十一日，本集團的流動比率分別為1.14倍及1.04倍。因為本集團能夠在其綫路板的經營業務中產生顯著的淨現金流入，故這些財務比率於本財政年度下半年內將會進一步改善。

於二零零五年九月三十日，本集團的應付融資租約及租購合同、其他有抵押貸款及銀行借款的總結欠為港幣53,416,000元(二零零五年三月三十一日：港幣52,238,000元)，當中港幣24,790,000元(二零零五年三月三十一日：港幣36,604,000元)需於未來十二個月內償還。有關借貸均以港幣或美元為結算單位、於三年期內每月償還(除銀行借款合共港幣2,226,000元(二零零五年三月三十一日：港幣24,414,000元)於三個月內償還)及當中70%(二零零五年三月三十一日：86%)以浮動息率計算利息。本集團並無因應上述借貸採用任何利率對沖工具。本集團於二零零五年九月三十日賬面淨值為港幣48,389,000元(二零零五年三月三十一日：港幣28,484,000元)之若干機器及設備已作為有關借貸之抵押品。

As at 30 September 2005, the Group's current assets and total liabilities were mostly denominated in either HK\$ or US\$. Because the exchange rate for US\$ against HK\$ is relatively stable in Hong Kong for the moment, the Group does not expect any significant exchange difference relating to its assets or liabilities denominated in US\$. Besides, the Group's subsidiary in Mainland China has net assets value as at 30 September 2005 and will be able to finance its operating expenses out of its trading receipts. Although the exchange rate for Renminbi ("RMB") against HK\$ is likely to appreciate in the near future, it is generally expected that the extent of such likely appreciation will not be significant. Hence, the Group's net exposure to fluctuation in exchange rates for US\$ and RMB is insignificant and therefore the Group has not adopted any foreign currency hedging tool.

EMPLOYEE BENEFITS

As at 30 September 2005, the Group had 1,390 (31 March 2005: 1,169) employees, including directors, working mainly in Mainland China. For the period ended 30 September 2005, the Group's total staff costs including directors' remuneration were HK\$14,880,000 (2004: HK\$11,605,000).

According to the Group's staff remuneration policy, the remuneration of an employee is determined by the Board from time to time with reference to his performance and duties, the performance and profitability of his employer and the prevailing market conditions.

OUTLOOK

The Group's turnover and earnings have shown an upward trend since April 2005. The Group's operating results for the second quarter of the current period was much better than that for the first quarter of the current period. Because the Group's PCB plants have been operating at full capacity and confronting production bottleneck problem during the third quarter of the current financial year, the Group has planned to acquire more machinery and equipment so as to keep pace with the rosy sales forecast from the customers. When these additional machinery and equipment are fully installed during the fourth quarter of the current financial year, the Group's turnover will record another breakthrough.

於二零零五年九月三十日，本集團之流動資產及總負債大部份均以港幣或美元為結算單位。由於現時美元兌港幣之匯率一直維持穩定，故此本集團並未預期以美元為結算單位的資產及負債存有重大的外匯差異。此外，本集團在中國大陸之附屬公司於二零零五年九月三十日有淨資產值，以及其收取的人民幣銷售收益，足夠支付其人民幣經營費用。雖然人民幣兌港幣的匯率在不久將來可能升值，但一般預期不會有重大的升幅。故此本集團因美元或人民幣匯率波動而承受之風險並不重大，亦因此並無採用外匯對沖工具。

僱員福利

於二零零五年九月三十日，本集團包括董事在內共有僱員1,390人（二零零五年三月三十一日：1,169人），而大部份僱員皆在中國大陸工作。截至二零零五年九月三十日止期間，本集團包括董事酬金在內的總員工成本為港幣14,880,000元（二零零四年：港幣11,605,000元）。

根據本集團的員工報酬政策，僱員的報酬由董事會參考其工作表現及職責、其僱主的業績及盈利水平以及現行市場情況而不時釐定。

前景

本集團的營業額及盈利從二零零五年四月起顯示上升趨勢，而本期間第二季度的經營業績比第一季度表現更好。由於本集團的綫路板生產廠房在本財政年度第三季度內已經以最高產能生產並且面對生產樽頸的問題，本集團已計劃增添更多機器及設備以配合客戶樂觀的銷售預測。當該批額外的機器及設備在本財政年度第四季度完成裝置後，本集團的營業額將會錄得另一突破。

Although the current financial year looks promising, the Board is wary of the challenging factors that could adversely affect the Group.

First of all, the Group could exert no influence to any mismatch in the worldwide demand and supply of non-ferrous metals used in the manufacture of major raw material items. It is noteworthy that the purchase prices of gold and copper etc. have reached their unprecedentedly high level during the year 2005 due to their huge demand in excess of their supply. If there is any such mismatch which will drive up the purchase prices of major raw material items steeply and the Group cannot shift the burden wholly to the customers, the Group will suffer because the cost of raw material is still a significant component of the Group's cost of sales.

Besides, the Group is currently quite heavily relying on its telecommunication products customers from whom about 70% of the Group's turnover is generated. Although the business of these customers is still quite robust for the moment, there is no guarantee that the same will apply in next year. In light of this, the Board intends to broaden the customer base of the Group in next year so as to alleviate the impact which may result from relying too much on particular type of customer.

The PCB manufacturing technology is ever changing and the PCB manufacturers must continuously invest in modern machinery and equipment in order to meet the customers' ever changing requirements. For the current financial year up to 22 December 2005, the Group has placed orders to acquire modern machinery and equipment costing over HK\$100 million. If the machinery and equipment bought by the Group become obsolete due to the customers' new requirements, the Group will be required to dispose of them or write them off.

The petroleum price has remained at a fairly high level during the year 2005. The interest rates for US\$ and HK\$ are expected to rise further during the first quarter of the year 2006. The exchange rate for RMB is likely to appreciate in the near future. Although these economic events may not increase the operating costs of the Group to a great extent, they may hinder the growth of the world economy and the business of the Group may be adversely affected accordingly.

雖然本財政年度看來充滿希望，董事會對可能負面影響本集團的各種挑戰因素仍保持警惕。

首先，本集團對用於製造主要原材料的有色金屬在全球供求錯配上不可能施予任何影響力。值得注意的是黃金及銅等的採購價在二零零五年內因巨大的需求多於供應而使其採購價已到達歷史高位。倘若任何類似的供求錯配導致主要原材料的採購價格大幅漲價，而本集團不能將有關加幅全數轉嫁至客戶，本集團會因原材料成本仍然是銷售成本中佔重大部份而承受損失。

此外，本集團現時十分依賴其電子通訊產品客戶，有關客戶約佔總銷售額的70%。雖然有關客戶現時的業務仍然表現充滿活力，但不能保證於明年此等情況仍然如是。為盡量減低因過份依賴某類客戶所帶來的影響，董事會計劃來年擴闊本集團的客戶基礎。

製造線路板的技術正在不停的轉變，而作為線路板製造商同時亦雖持續地投資先進的機器及設備以不斷滿足客戶的要求。本財政年度截至二零零五年十二月二十二日止，本集團已簽訂購置先進的機器及設備的合約總額超過港幣一億元。若因客戶新的要求而導致部份已購置的機器及設備過時，本集團將需要賣掉或報廢該等機器及設備。

石油價格在二零零五年仍然處於高位。美元及港幣的利率預期在二零零六年第一季仍會上升。人民幣的匯率在不久將來可能升值。雖然此等事宜可能不會大幅增加本集團的經營成本，但它們可能妨礙世界經濟的增長，並可能因此不利地影響本集團的業務。

In spite of the above concern, the Board is optimistic about the results of the Group for the current financial year barring any unforeseen circumstance.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the 6 months ended 30 September 2005, except for the following deviations:

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer (“CEO”) should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and CEO and Mr. Chan Sik Ming, Harry currently holds both positions. The Board believes that vesting the roles of both Chairman and CEO in the same person ensures consistent leadership within the Group and enables more effective and efficient planning of long-term strategies and implementation of business plans. The Board believes that the balance of power and authority will not be impaired and is adequately ensured by an effective Board which comprises experienced and high calibre individuals with a sufficient number thereof being independent non-executive directors (“INED(s)”).

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The INEDs of the Company do not have a specific term of appointment, but subject to retirement by rotation and re-election in accordance with the relevant provisions of the Company’s Bye-laws.

Code Provision B.1.1 stipulates that the Company should establish a Remuneration Committee with specific written terms of reference which deal clearly with its authority and duties. The Company has not established a Remuneration Committee during the current period as the directors’ and senior management’s remuneration was not due for review during the current period.

雖說對以上的挑戰因素表示關注，除出現不可預知的情況外，董事會對本集團在本財政年度的業績表現表示樂觀。

企業管治

本公司董事會認為，除以下有所偏差外，本公司截至二零零五年九月三十日止六個月內已遵守上市規則附錄14所載企業管治常規守則條文：

根據守則條文A.2.1條，主席與行政總裁的角色應有區分，並不應由一人同時兼任。本公司並無區分主席與行政總裁，現時由陳錫明先生同時兼任該兩個職位。董事會相信，由一人兼任主席與行政總裁的角色可確保本集團貫徹的領導，更有效和有效率地計劃長遠策略及執行業務策劃。董事會相信，董事會由經驗豐富的優秀人才組成，加上相當成員均為獨立非執行董事（「獨立非執行董事」），故可確保有關權力及職能充分平衡，不會受損害。

根據守則條文A.4.1條，非執行董事的委任應有指定任期，並須接受重新選舉。本公司之獨立非執行董事並無特定任期，惟須按本公司之公司細則之有關條文輪值告退及重選。

根據守則條文B.1.1條，公司須成立薪酬委員會，並書面訂明指定之職權範圍，清楚列明其權力及職責。因本集團董事及高層僱員在本期間尚未進行薪酬檢討，所以本公司尚未成立薪酬委員會。

On 22 December 2005, the Board has approved to set up a Remuneration Committee comprising the existing three INEDs and two executive directors, and also the specific written terms of reference of the Remuneration Committee in accordance with Rule B.1.3 in Appendix 14 of the Listing Rules.

於二零零五年十二月二十二日，董事會已通過成立薪酬委員會，當中成員包括現時三位獨立非執行董事及兩位執行董事；與及根據上市規則附錄14第B.1.3條的規定薪酬委員會書面訂明之指定職權範圍。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 September 2005, the interests and short positions of the directors in the shares and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers", were as follows:

董事於股份及相關股份之權益或淡倉

於二零零五年九月三十日，董事於本公司或其相關法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中擁有須記錄於證券及期貨條例第352條規定置存之記錄冊內之權益或淡倉，或須根據「上市公司董事進行證券交易的標準守則」知會本公司及香港聯合交易所有限公司（「聯交所」）之權益或淡倉如下：

Long position in ordinary shares of the Company

於本公司普通股份之好倉

Name of director 董事姓名	Directly beneficially owned 實益直接擁有	Beneficiary of a trust 信託受益	Total 合計	Percentage of the Company's issued share capital 佔本公司已發行 股本之百分比
Chan Sik Ming, Harry 陳錫明	34,480,000	63,933,417*	98,413,417	21.12

* Chan Sik Ming, Harry and his family are the objects of a discretionary trust, which has appointed Earnwell Limited as its trustee. At 30 September 2005, Earnwell Limited held 63,933,417 shares representing approximately 13.72% of the issued share capital of the Company.

* 陳錫明及其家屬為一全權信託基金之受益人，而該基金委任Earnwell Limited為其信託人。於二零零五年九月三十日，Earnwell Limited持有股份63,933,417股，約佔本公司已發行股本之13.72%。

Long position in underlying shares of the Company

於本公司相關股份之好倉

Name of director 董事姓名	Number of share options # 所持股份期權數目#	Percentage of the Company's existing issued share capital if fully exercised 若全數行使後佔本公司現 時已發行股本之百分比
Chan Sik Ming, Harry 陳錫明	4,600,000	0.99
Hiroto Sasaki 佐佐木弘人	4,600,000	0.99
Au-Yeung Wai Hung 歐陽偉洪	4,600,000	0.99

These share options were granted by the Company on 15 June 2004 and are exercisable during the period from 15 June 2004 to 14 June 2009 at an exercise price of HK\$0.20 per share.

該等股份期權由本公司於二零零四年六月十五日授出，並可於二零零四年六月十五日起至二零零九年六月十四日止期間內，按每股港幣0.2元之行使價予以行使。

Save as disclosed above, none of the directors had registered an interest or short position in the shares and underlying shares of the Company or any of its associated corporations that was required to be recorded under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers".

除上文披露者外，董事於本公司或其任何相聯法團之股份及相關股份中概無擁有須記錄於證券及期貨條例第352條規定置存之記錄冊內之權益或淡倉，或須根據「上市公司董事進行證券交易的標準守則」知會本公司及聯交所之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES

As 30 September 2005, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long positions:

好倉：

Name 姓名	Capacity and nature of interest 身份及權益之性質	Number of ordinary shares held 所持股份數目	Percentage of the Company's issued share capital 佔本公司已發行 股本之百分比
Lau Wing Hung 劉學宏	Directly beneficially owned 實益直接擁有人	68,078,000	14.61
Earnwell Limited	Trustee 信託人	63,933,417	13.72
Daisho Denshi Co., Ltd. 大昌電子株式會社	Directly beneficially owned 實益直接擁有人	50,000,000	10.73
Easy Gain Limited	Trustee 信託人	47,984,416	10.30

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short position in the shares and underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the current period, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities.

主要股東及其他人士之股份及相關股份之權益

於二零零五年九月三十日，依據證券及期貨條例第336條本公司須保存之權益登記冊所載，持有本公司股本5%或以上權益之股東如下：

除上文披露者外，除本公司董事之權益載於上一節「董事於股份及相關股份之權益或淡倉」外，概無其他人士之股份及相關股份須記錄於證券及期貨條例第336條規定置存之記錄冊內之權益或淡倉。

購回、出售或贖回本公司股份

在本期間內，本公司或其任何附屬公司概無購回、出售或贖回本公司之任何上市證券。

NON-COMPLIANCE WITH RULE 3.10(1) OF THE LISTING RULES

Resulting from the death of Mr. Taro Akashi, an INED of the Company, on 28 September 2005, the Company had only two INEDs since then. According to the requirement under Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three INEDs. Hence, the Company has not complied with Rule 3.10(1) of the Listing Rules since 28 September 2005.

On 22 December 2005, the Company has appointed Dr. Li Chi Kwong as an INED to fill the casual vacancy. Hence, the Company has complied with Rule 3.10(1) of the Listing Rules since 22 December 2005. The details of Dr. Li as required to be disclosed under Rule 13.51(2) of the Listing Rules are set out in the announcement dated 22 December 2005.

AUDIT COMMITTEE

The Audit Committee of the Company comprises the three INEDs of the Company. It was established in compliance with the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The Audit Committee of the Company has reviewed the unaudited interim report of the Group for the 6 months period ended 30 September 2005 and agreed with all the accounting treatments which have been adopted in the interim report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has not adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" ("Model Code") in Appendix 10 of the Listing Rules. In other words, the Company has adopted the Model Code. The Company, having made specific enquiry, confirms that all directors of the Company have complied with the required standard set out in the Model Code throughout the 6 months period ended 30 September 2005.

未有遵守上市規則第3.10(1)條

由於本公司之獨立非執行董事明石太郎先生於二零零五年九月二十八日逝世，自此之後，本公司只有兩位獨立非執行董事。而根據上市規則第3.10(1)條之要求，董事會成員最少要包括三位獨立非執行董事。因此，本公司於二零零五年九月二十八日起未有符合上市規則第3.10(1)條之要求。

於二零零五年十二月二十二日，本公司已委任李志光博士為本公司之獨立非執行董事以填補空缺。因此，本公司已於二零零五年十二月二十二日後符合上市規則第3.10(1)條之要求。而根據上市規則第13.51(2)條的披露規定李博士的個人資料已載於二零零五年十二月二十二日之公佈內。

審核委員會

本公司之審核委員會由三位獨立非執行董事組成。審核委員會乃根據上市規則而成立，其主要職責為檢討及監督本集團之財務報告過程及內部監控。

審核委員會已檢閱本集團截至二零零五年九月三十日止六個月期間之中期報告，並同意中期報告內所採用之所有會計處理方法。

上市公司董事進行證券交易的標準守則

本公司未有採納一套比聯交所在上市規則附錄10列載之「上市公司董事進行證券交易的標準守則」（「標準守則」）所訂標準更高的董事證券交易的守則。換言之，本公司已就董事進行證券交易採納了標準守則。經本公司向所有董事作出特定查詢後，所有董事均確認截至二零零五年九月三十日止六個月期間內已遵守標準守則所載有關證券交易之標準。

RELOCATION OF THE COMPANY'S BRANCH REGISTRAR

The Company's Branch Registrar, Tengis Limited, will be relocated to "26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong" with effect from 3 January 2006.

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 22 December 2005

As at the date of this interim report, the Board comprises the following members:

Executive directors:
CHAN Sik Ming, Harry
(Chairman & CEO)
Motofumi TSUMURA
Hiroto SASAKI
Hiroyuki KIKUCHI
AU-YEUNG Wai Hung

Independent non-executive directors:
Kohu KASHIWAGI
CHAN Yuk Tong
LI Chi Kwong

本公司股份登記分處搬遷

本公司於香港之股份登記分處登捷時有限公司將於二零零六年一月三日搬遷至「香港灣仔皇后大道東28號金鐘匯中心26樓」。

承董事會命
陳錫明
主席

香港，二零零五年十二月二十二日

於本中期報告日期，董事會包括以下成員：

<i>執行董事：</i>	<i>獨立非執行董事：</i>
陳錫明	柏木紘宇
<i>(主席及行政總裁)</i>	陳育棠
津村元史	李志光
佐佐木弘人	
菊地弘之	
歐陽偉洪	

