

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1. Basis of preparation and principal accounting policies

The condensed interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The condensed interim financial statements have been prepared under the historical cost convention, except for certain properties and investments in securities, which are measured at revalued amounts or fair value, as appropriate. The accounting policies are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April, 2005 except that the Group has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards ("HKFRSs") and HKASs which are effective for accounting periods commencing on or after 1 January, 2005. Changes to the Group's accounting policies and the effect of adopting these new policies, which have been reflected in these interim financial statements, are set out in below. Certain comparative figures in the condensed interim financial statements have been restated or reclassified to conform to current presentation.

#### (a) Business Combinations

In the current period, the Group has applied HKFRS 3 *Business Combinations*, which is effective for business combinations for which the agreement date is on or after 1 January, 2005. The principal effects of the application of HKFRS 3 to the Group are summarised below:

##### *Goodwill*

In previous periods, goodwill arising on acquisitions prior to 1 May, 2001 was held in reserves, and goodwill arising on acquisitions after 1 May, 2001 was capitalised and amortised over its estimated useful life. The Group has applied the relevant transitional provisions in HKFRS 3. Goodwill previously recognised in reserves of HK\$45 million has been transferred to the Group's retained earnings on 1 May, 2005. Goodwill arising on acquisitions after 1 May, 2005 is measured at cost less accumulated impairment losses (if any) after initial recognition.

## 簡明財務報告附註

### 1. 編撰基準及主要會計政策

簡明中期財務報告乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16適用之披露規定及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」之規定編撰。

簡明財務報告乃按歷史成本法編製，惟若干物業及證券投資則按重估金額或公平值(如適用)計量則除外。會計政策與編撰本集團截至二零零五年四月三十日止年度之全年財務報告時所採用者相符，惟本集團已於採納適用於二零零五年一月一日或以後開始之會計期間之新訂／經修訂香港財務報告準則(「香港財務報告準則」)及香港會計準則後，改變其若干會計政策。本集團會計政策之變動及採納該等新政策之影響已反映於此等中期財務報告，並載述於下文。簡明中期財務報告之若干比較數字已予重列或重新分類，以符合本期間之呈列方式。

#### (a) 業務合併

於本期間，本集團採用香港財務報告準則第3號「業務合併」，有關準則適用於協議日期於二零零五年一月一日或之後的業務合併。應用香港財務報告準則第3號對本集團之主要影響概述如下：

##### *商譽*

於以往期間，於二零零一年五月一日前所產生之收購商譽乃於儲備內持有，而於二零零一年五月一日後所產生之收購商譽則資本化及按其估計可用年期攤銷。本集團已應用香港財務報告準則第3號之有關過渡性條文。早前於儲備確認之商譽45,000,000港元已於二零零五年五月一日轉撥至本集團之滾存盈利。於二零零五年五月一日後所產生之收購商譽乃於初步確認後按成本減累計減值虧損(如有)計量。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 1. Basis of preparation and principal accounting policies (Continued)

#### (a) Business Combinations (Continued)

*Excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost (previously known as negative goodwill)*

In accordance with HKFRS 3, any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition ("discount on acquisition") is recognised immediately in profit or loss in the period in which the acquisition takes place. In previous periods, negative goodwill arising on acquisitions of an associate is deducted from the carrying value of that associate and released to income based on an analysis of the circumstances from which the balance resulted. In accordance with the relevant transitional provisions in HKFRS 3, the Group has derecognised its unamortised negative goodwill of HK\$2 million which was previously presented as a deduction from the carrying value of an associate, with a corresponding increase to retained earnings on 1 May, 2005.

#### (b) Financial Instruments

In the current period, the Group has applied HKAS 32 *Financial Instruments: Disclosure and Presentation* and HKAS 39 *Financial Instruments: Recognition and Measurement*. HKAS 32 requires retrospective application. The application of HKAS 32 has had no material effect on the presentation of financial instruments in the financial statements of the Group. HKAS 39, which is effective for accounting periods beginning on or after 1 January, 2005, generally does not permit to recognise, derecognise or measure financial assets and liabilities on a retrospective basis. The principal effects resulting from the implementation of HKAS 39 are summarised below:

#### *Classification and measurement of financial assets and financial liabilities*

The Group has applied the relevant transitional provisions in HKAS 39 with respect to the classification and measurement of financial assets and financial liabilities that are within the scope of HKAS 39.

## 簡明財務報告附註(續)

### 1. 編撰基準及主要會計政策(續)

#### (a) 業務合併(續)

本集團於被收購人之可認定資產、負債及或然負債淨公平值中之權益高於成本(早前為負商譽)

根據香港財務報告準則第3號，本集團於被收購人之可認定資產、負債及或然負債淨公平值中之權益高於收購成本(早前稱為負商譽)之任何數額(「收購折讓」)隨即於收購進行期間內在損益賬確認。於以往期間，收購聯營公司所產生之負商譽乃自該聯營公司之賬面值扣除，並根據對導致結餘之情況作出之分析撥回至收入。根據香港財務報告準則第3號之有關過渡性條文，不再確認其未攤銷負商譽2,000,000港元，該金額早前呈列為自聯營公司賬面值之扣除數額，並令於二零零五年五月一日之滾存盈利相應增加。

#### (b) 金融工具

於本期間，本集團應用香港會計準則第32號「金融工具：披露及呈報」以及香港會計準則第39號「金融工具：確認及計量」。香港會計準則第32號規定追溯應用。應用香港會計準則第32號對金融工具於本集團之財務報表並無重大影響。香港會計準則第39號於二零零五年一月一日或之後開始的會計期間生效，一般不許可按追溯基準確認、終止確認或計量金融資產及負債。採納香港會計準則第32號及香港會計準則第39號產生的主要影響概述如下：

#### 金融資產及金融負債分類及計量

本集團就屬香港會計準則第39號範圍內的金融資產及金融負債分類及計量，應用香港會計準則第39號有關過渡條文。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 1. Basis of preparation and principal accounting policies (Continued)

#### (b) Financial Instruments (Continued)

By 30 April, 2005, the Group classified and measured its equity securities in accordance with the alternative treatment of Statement of Standard Accounting Practice 24 (SSAP 24). Under SSAP 24, investments in debt or equity securities are classified as "trading securities", "non-trading securities" or "held-to-maturity investments" as appropriate. Both "trading securities" and "non-trading securities" are measured at fair value. Unrealised gains or losses of "trading securities" are reported in the profit or loss for the period in which gains or losses arise. Unrealised gains or losses of "non-trading securities" are reported in equity until the securities are sold or determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for that period. From 1 May, 2005 onwards, the Group classifies and measures its equity securities in accordance with HKAS 39. Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables", or "held-to-maturity financial assets". The classification depends on the purpose for which the assets are acquired. "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method.

On 1 May, 2005, the Group classified and measured its equity securities in accordance with the requirements of HKAS 39. The investment in securities previously recorded as "non-trading securities" are currently classified as "available-for-sale financial assets" with no effect on the results of current and prior periods. This change has had no material effect on the result of the current period.

## 簡明財務報告附註(續)

### 1. 編撰基準及主要會計政策(續)

#### (b) 金融工具(續)

於二零零五年四月三十日前，本集團根據會計實務準則第24號(「會計實務準則第24號」)的基準方法分類及計量其股本證券。根據會計實務準則第24號，債務或股本證券投資按適當情況分類為「買賣證券」、「非買賣證券」或「持至到期日之投資」。「買賣證券」及「非買賣證券」乃按公平值計量。「買賣證券」之未變現收益或虧損乃於收益或虧損產生期間在損益賬內報告。「非買賣證券」之未變現收益或虧損乃於權益賬內報告，直至證券出售或經釐定有減值為止，屆時早前於權益確認之累計收益或虧損乃納入於該期間之淨溢利或虧損。自二零零五年五月一日起，本集團根據香港會計準則第39號分類及計量其股本證券。根據香港會計準則第39號，金融資產分類為「按公平值計入損益之金融資產」、「可供銷售金融資產」、「貸款及應收款項」或「持至到期日之金融資產」。分類視乎所收購資產目的而定。「按公平值計入損益之金融資產」及「可供銷售金融資產」按公平值列賬，而公平值變動則分別於溢利或虧損及股本確認。「貸款及應收款項」及「持至到期日之金融資產」以實際權益法按已攤銷成本列賬。

於二零零五年五月一日起，本集團根據香港會計準則第39號之規定分類及計量其股本證券。早前報告為「非買賣證券」之證券投資現時分類為「可供銷售金融資產」，惟對本期間及以往期間之業績並無影響。此項變動對本期間之業績並無重大影響。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 1. Basis of preparation and principal accounting policies (Continued)

#### (b) Financial Instruments (Continued)

*Financial assets and financial liabilities other than debt and equity securities*

From 1 May, 2005 onwards, the Group classifies and measures its financial assets and financial liabilities other than equity securities (which were previously outside the scope of SSAP 24) in accordance with the requirements of HKAS 39. As mentioned above, financial assets under HKAS 39 are classified as “financial assets at fair value through profit or loss”, “available-for-sale financial assets”, “loans and receivables” or “held-to-maturity financial assets”. Financial liabilities are generally classified as “financial liabilities at fair value through profit or loss” or “financial liabilities other than financial liabilities at fair value through profit or loss (other financial liabilities)”. “Other financial liabilities” are carried at amortised cost using the effective interest method. This change has had no material effect on the result of the current period.

#### *Derivatives*

From 1 May, 2005 onwards, all derivatives that are within the scope of HKAS 39 are required to be carried at fair value at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. The corresponding adjustments on changes in fair values would depend on whether the derivatives are designated as effective hedging instruments, and if so, the nature of the item being hedged. For derivatives that are deemed as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the period in which they arise.

## 簡明財務報告附註(續)

### 1. 編撰基準及主要會計政策(續)

#### (b) 金融工具(續)

*債務及股本證券以外的金融資產及金融負債*

自二零零五年五月一日起，本集團根據香港會計準則第39號的規定分類及計量其股本證券以外的金融資產及金融負債，而該等金融資產及金融負債先前並非屬會計實務準則第24號範圍以內。誠如上文所述，香港會計準則第39號所述金融資產分類為「按公平值計入損益之金融資產」、「可供銷售金融資產」、「貸款及應收款項」或「持至到期日之金融資產」。金融負債一般分類為「按公平值計入損益之金融負債」或「按公平值計入損益之金融負債以外的金融負債(其他金融負債)」。「其他金融負債」以實際權益法按已攤銷成本列賬。此項變動對本期間之業績並無重大影響。

#### *衍生工具*

自二零零五年五月一日起，香港會計準則第39號範圍內所有衍生工具均須按於各結算日之公平價值列賬，而不論是否被視作持作買賣用途或指定為有效對沖工具。根據香港會計準則第39號，衍生工具(包括與主合同分開入賬之附帶衍生工具)均被視作持作買賣之金融資產或金融負債，除非有關衍生工具合資格且指定為有效對沖工具則作別論。就公平值變動作出之相應調整，須視乎有關衍生工具是否指定為有效對沖工具，如屬有效對沖工具，則視乎所對沖項目的性質而定。就視為持作買賣之衍生工具而言，該等衍生工具公平值之變動會於產生期間之溢利或虧損中確認。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 1. Basis of preparation and principal accounting policies (Continued)

#### (b) Financial Instruments (Continued)

##### *Embedded derivatives*

Derivatives embedded in non-derivative host contracts are separated from the relevant host contracts and deemed as held-for-trading when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the combined contracts are not measured at fair value through profit or loss. In all other circumstances, derivatives embedded are not separated and are accounted for together with the host contracts in accordance with appropriate standards. Where the Group needs to separate an embedded derivative but is unable to measure the embedded derivative, the entire combined contracts are treated as held-for-trading.

##### *Derecognition*

HKAS 39 provides more rigorous criteria for the derecognition of financial assets than the criteria applied in previous periods. Under HKAS 39, a financial asset is derecognised, when and only when, either the contractual rights to the asset's cash flows expire, or the asset is transferred and the transfer qualifies for derecognition in accordance with HKAS 39. The decision as to whether a transfer qualifies for derecognition is made by applying a combination of risks and rewards and control tests. This change has had no material effect on the result of the current period.

## 簡明財務報告附註(續)

### 1. 編撰基準及主要會計政策(續)

#### (b) 金融工具(續)

##### *附帶衍生工具*

附帶於非衍生主合同之衍生工具乃自有關主合同分開，而當附帶衍生工具之經濟特質及風險與主合同者並無密切關係，及合併合同並非按公平值計入損益而計量時，則被視作持作買賣。在所有其他情況下，附帶衍生工具不會分開處理，並根據適用準則與主合同一併處理。倘本集團需要分開處理附帶衍生工具，惟未能計量附帶衍生工具，則整份合併合同會被當作為持作買賣。

##### *不再確認*

香港會計準則第39號就不再確認金融資產訂有較以往期間所應用之準則更為嚴謹之準則。根據香港會計準則第39號，當資產現金流量之合同性權利屆滿，或資產已予轉讓及該轉讓根據香港會計準則第39號符合資格不再確認時並僅在此等前提下，金融資產會不再確認。就一項轉讓是否符合資格不再確認之決定乃經同時作出風險及回報及控制測試而作出。此項變動對本期間之業績並無重大影響。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 1. Basis of preparation and principal accounting policies (Continued)

#### (c) Share-based payments

In current period, the Group has applied HKFRS 2 *Share-based Payment* which requires an expense to be recognised where the Group buys goods or obtain services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ("cash-settled transactions"). Prior to the application of HKFRS 2, the Group did not recognise the financial effect of share options until they are exercised. The Group has applied HKFRS 2 to share options granted on or after 1 May, 2005. In relation to share options granted before 1 May, 2005, the Group chooses not to apply HKFRS 2 to share options granted on or before 7 November, 2002. However, the Group is still required to apply HKFRS 2 retrospectively to share options that were granted after 7 November, 2002 and had not yet vested on 1 May, 2005. The application of HFRS 2 had affected the share of loss of an associate by way of a prior year adjustment of an increase of share of accumulated losses of an associate to the opening balance of the accumulative losses of the Group as at 1 May, 2004 of HK\$2 million and the share of loss of an associate for the last interim period ended 31 October, 2004 of HK\$3 million.

## 簡明財務報告附註(續)

### 1. 編撰基準及主要會計政策(續)

#### (c) 以股份為基礎之付款

於本期間，本集團已應用香港財務報告準則第2號「以股份為基礎之付款」，該準則規定當本集團以股份或股份權利以換取購買貨品或取得服務（「股本付款交易」），或以特定數目之股份或股份權利以換取等同價值之其他資產（「現金付款交易」），則須確認開支。於應用香港財務報告準則第2號前，本集團於直至購股權獲行使為止並無確認購股權之財務影響。本集團已就於二零零五年五月一日或以後所授出之購股權應用香港財務報告準則第2號。就於二零零五年五月一日以前授出之購股權而言，本集團選擇對二零零二年十一月七日或以前所授出之購股權不應用香港財務報告準則第2號。然而，本集團仍然需要對二零零二年十一月七日後授出而於二零零五年五月一日仍未歸屬之購股權追溯應用香港財務報告準則第2號。由於本集團於二零零四年五月一日之期初累計虧損結餘就分佔聯營公司累計虧損增加作出往年調整2,000,000港元，以及分佔聯營公司截至二零零四年十月三十一日止對上中期期間之虧損3,000,000港元，故應用香港財務報告準則第2號影響到分佔聯營公司之虧損。



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 1. Basis of preparation and principal accounting policies (Continued)

#### (c) Share-based payments (Continued)

The Group has not early applied the following new standards and interpretations that have been issued but are not yet effective.

HKAS 1 (Amendment)	Capital Disclosure <sup>1</sup>
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosure <sup>2</sup>
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions <sup>2</sup>
HKAS 39 (Amendment)	The Fair Value Option <sup>2</sup>
HKAS 39 & HKFRS 4 (Amendment)	Financial Guarantee Contracts <sup>2</sup>
HKFRS 6	Exploration for and Evaluation of Mineral Resources <sup>2</sup>
HKFRS 7	Financial Instruments: Disclosure <sup>1</sup>
HK(IFRIC)-Int 4	Determining whether an Arrangement Contains a Lease <sup>2</sup>
HK(IFRIC)-Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds <sup>2</sup>
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment <sup>3</sup>

Effective dates:

- <sup>1</sup> Effective for annual period beginning on or after 1 January, 2007
- <sup>2</sup> Effective for annual period beginning on or after 1 January, 2006
- <sup>3</sup> Effective for annual period beginning on or after 1 December, 2005

### 2. Turnover and segment information

Turnover represents the net amounts received and receivable for goods sold and services provided by the Group to outside customers and rental income during the period. The Group currently operates in the manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners whereas in last corresponding financial period, it was engaged in two business segments – the manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners; and property investment.

## 簡明財務報告附註(續)

### 1. 編撰基準及主要會計政策(續)

#### (c) 以股份為基礎之付款(續)

本集團並無提早應用以下已頒佈但尚未生效之新準則及詮釋。

香港會計準則第1號(經修訂)	資本儲備 <sup>1</sup>
香港會計準則第19號(經修訂)	精算收益及虧損、集團計劃及披露 <sup>2</sup>
香港會計準則第39號(經修訂)	預測集團內公司間交易之現金流量對沖會計法 <sup>2</sup>
香港會計準則第39號(經修訂)	公平值選擇 <sup>2</sup>
香港會計準則第39號及香港財務報告準則第4號(經修訂)	金融擔保合同 <sup>2</sup>
香港財務報告準則第6號	礦產資產之勘探及評估 <sup>2</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港國際財務報告詮釋委員會 – 詮釋4	釐定一項安排是否含有租約 <sup>2</sup>
香港國際財務報告詮釋委員會 – 詮釋5	退役、恢復及環境修復基金所產生之權益權利 <sup>2</sup>
香港國際財務報告詮釋委員會 – 詮釋6	參與特定市場 – 廢料電力及電力設備所產生之負債 <sup>3</sup>

生效日期：

- <sup>1</sup> 由二零零七年一月一日或以後開展之年度生效
- <sup>2</sup> 由二零零六年一月一日或以後開展之年度生效
- <sup>3</sup> 由二零零五年十二月一日或以後開展之年度生效

### 2. 營業額及分部資料

營業額指本集團於本期內向外界客戶銷售貨品及提供服務之已收及應收款項淨額，以及租金收入。本集團目前經營製造及銷售集成電路引線框、散熱器及加強桿，而上個財政年度同期，本集團經營兩類業務分部 – 製造及銷售集成電路引線框、散熱器及加強桿；以及物業投資。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 2. Turnover and segment information (Continued)

#### (a) Geographical segments

The customers of the Group are currently located in the United States of America, Hong Kong, Europe, Greater China (comprising the People's Republic of China other than Hong Kong (the "PRC") and Taiwan), Philippines, Singapore and other Asian countries. The geographical locations of the Group's customers are the basis on which the Group reports its primary segment information.

## 簡明財務報告附註(續)

### 2. 營業額及分部資料(續)

#### (a) 地區分部

本集團之客戶現時分佈於美國、香港、歐洲、大中華地區(包括中華人民共和國(「中國」)(香港除外)及台灣)、菲律賓、新加坡及其他亞洲國家。本集團客戶之所在地為本集團呈報主要分部資料之基準。

		Turnover 營業額 (Unaudited) (未經審核)				Segment Results 分部業績 (Unaudited) (未經審核)			
		Six months ended 31 October, 截至十月三十一日止六個月				Six months ended 31 October, 截至十月三十一日止六個月			
		2005 二零零五年	2004 二零零四年		2005 二零零五年	2004 二零零四年			
		Continuing operation 持續 經營業務 HK\$'M 百萬港元	Continuing operation 持續 經營業務 HK\$'M 百萬港元	Discontinued operation 已終止 經營業務 HK\$'M 百萬港元	Consolidated 綜合 HK\$'M 百萬港元	Continuing operation 持續 經營業務 HK\$'M 百萬港元	Discontinued operation 已終止 經營業務 HK\$'M 百萬港元	Consolidated 綜合 HK\$'M 百萬港元	
United States of America	美國	16	25	-	25	-	2	2	
Hong Kong	香港	93	126	11	137	(4)	6	(62)	
Europe	歐洲	-	1	-	1	-	-	-	
Greater China	大中華地區	33	25	-	25	(1)	2	2	
Philippines	菲律賓	12	9	-	9	-	1	1	
Singapore	新加坡	21	14	-	14	-	1	1	
Other Asian countries	其他亞洲國家	24	25	-	25	-	1	1	
Turnover and segment results	營業額及分部業績	199	225	11	236	(5)	13	(55)	
<b>Unallocated items</b>	<b>未分配項目</b>								
Unallocated corporate expenses	未分配公司開支					(16)	(16)	(16)	
Finance costs	融資成本					(2)	(5)	(5)	
Exchange losses from obligations crystallised under guarantees	履行擔保責任之匯兌虧損					-	(1)	(1)	
Compensation charge for settlement of a litigation	和解一宗訴訟之補償金					-	(3)	(3)	
Distributions from liquidation of a former subsidiary	一間前附屬公司清盤之分派					-	5	5	
Amortisation of negative goodwill on acquisition of an associate	攤銷收購聯營公司之負商譽					-	1	1	
Share of results of an associate	分佔聯營公司業績					(6)	(53)	(53)	
Loss before taxation	除稅前虧損					(29)	(59)	(127)	
Taxation	稅項					-	-	4	
Loss for the period	期內虧損					(29)	(59)	(123)	



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註(續)

2. Turnover and segment information (Continued)  
(b) Business segment

2. 營業額及分部資料(續)  
(b) 業務分部

		Turnover 營業額 (Unaudited) (未經審核)	
		Six months ended 31 October, 截至十月三十一日止六個月	
		2005 二零零五年 HK\$'M 百萬港元	2004 二零零四年 HK\$'M 百萬港元
<i>Continuing operation</i>	持續經營業務		
Manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners	製造及銷售集成電路引線框、散熱器及加強桿	199	225
<i>Discontinued operation</i>	已終止經營業務		
Rental income from property investment	物業投資之租金收入	-	11
		<u>199</u>	<u>236</u>

3. Other operating income

3. 其他經營收入

		(Unaudited) (未經審核)	
		Six months ended 31 October, 截至十月三十一日止六個月	
		2005 二零零五年 HK\$'M 百萬港元	2004 二零零四年 HK\$'M 百萬港元
Scrap sales	廢料銷售	7	8
Sundry income	雜項收入	-	1
Exchange gain, net	匯兌收益淨額	-	1
		<u>7</u>	<u>10</u>

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註(續)

4. Finance costs

4. 融資成本

(Unaudited)  
(未經審核)

Six months ended 31 October,  
截至十月三十一日止六個月

2005 二零零五年 HK\$'M 百萬港元	2004 二零零四年 HK\$'M 百萬港元
2	4
-	1
<u>2</u>	<u>5</u>

Interest on bank borrowings	銀行借貸利息		
Other finance charges	其他融資費用		

5. Taxation

5. 稅項

(Unaudited)  
(未經審核)

Six months ended 31 October,  
截至十月三十一日止六個月

2005 二零零五年 HK\$'M 百萬港元	2004 二零零四年 HK\$'M 百萬港元
(1)	-
1	-
-	4
<u>-</u>	<u>4</u>

The credit (charge) comprises:	稅項支出(抵免)包括:		
<i>Continuing operation</i>	持續經營業務		
Current tax in other jurisdictions	於其他司法權區之即期稅項		
Deferred tax	遞延稅項		
<i>Discontinued operation</i>	已終止經營業務		
Deferred tax	遞延稅項		

No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits for the period. Taxation for other jurisdictions is calculated at the rates prevailing in respective jurisdictions.

由於本集團於本期間並無估計應課稅溢利，故並無就香港利得稅作出撥備。於其他司法權區之稅項乃按相關司法權區之現行稅率計算。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 6. Dividend

The directors do not recommend the payment of an interim dividend (six months ended 31 October, 2004: Nil).

### 7. Loss per share

The calculation of basic and diluted loss per share for continuing and discontinued operation is based on the loss for the period of HK\$29 million (six months ended 31 October, 2004: HK\$123 million) and the weighted average number of 639,370,167 (six months ended 31 October, 2004: 639,369,843) ordinary shares in issue during the period.

The calculation of basic and diluted loss per share for continuing operation is based on the loss for the period of HK\$29 million (six months ended 31 October, 2004: HK\$59 million) and the weighted average number of 639,370,167 (six months ended 31 October, 2004: 639,369,843) ordinary shares in issue during the period.

The denominators used are the same as those detailed above for both basic and diluted loss per share.

The computation of diluted loss per share for both periods does not assume the exercise of the share options (for the six months ended 31 October, 2004 only) and warrants of the Company because the exercise prices of share options and warrants were higher than the average market price of the Company's shares.

## 簡明財務報告附註(續)

### 6. 股息

董事不建議派發中期股息(截至二零零四年十月三十一日止六個月:無)。

### 7. 每股虧損

持續及已終止經營業務之每股基本及攤薄虧損乃根據本期間虧損29,000,000港元(截至二零零四年十月三十一日止六個月:123,000,000港元)及期內已發行普通股加權平均數639,370,167股(截至二零零四年十月三十一日止六個月:639,369,843股)計算。

持續經營業務之每股基本及攤薄虧損乃根據本期間虧損29,000,000港元(截至二零零四年十月三十一日止六個月:59,000,000港元)及期內已發行普通股加權平均數639,370,167股(截至二零零四年十月三十一日止六個月:639,369,843股)計算。

用作計算之分母與上文計算每股基本及攤薄虧損所述者一致。

由於本公司之購股權(只適用於截至二零零四年十月三十一日止六個月而已)及認股權證之行使價較本公司股份之平均市價為高,故此在計算上述兩段期間之每股攤薄虧損時並無假設本公司之購股權及認股權證會行使。

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註(續)

8. Property, plant and equipment

8. 物業、機器及設備

		(Unaudited) (未經審核) Six months ended 31 October, 2005 截至 二零零五年 十月三十一 止六個月 HK\$'M 百萬港元	Year ended 30 April, 2005 截至 二零零五年 四月三十日 止年度 HK\$'M 百萬港元
Net book value at beginning of period/year	期初／年初之賬面淨值	276	335
Additions	添置	8	25
Reclassification to investment properties	重新分類至投資物業	-	(1)
Disposals and write-offs	出售及撇銷	-	(29)
Depreciation	折舊	(24)	(50)
Impairment	減值	-	(4)
Net book value at end of period/year	期終／年終之賬面淨值	<u>260</u>	<u>276</u>

9. Interest in an associate

9. 聯營公司權益

		(Unaudited) (未經審核) 31 October, 2005 二零零五年 十月三十一日 HK\$'M 百萬港元	30 April, 2005 二零零五年 四月三十日 HK\$'M 百萬港元
Share of net assets	分佔資產淨值	-	-
Negative goodwill arising from deemed acquisitions (Note)	被視為收購所產生之負商譽(附註)	-	(2)
Net book value at end of period/year	期終／年終之賬面淨值	<u>-</u>	<u>(2)</u>
Market value of shares held by the Group	本集團持有股份之市值	<u>326</u>	<u>418</u>

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 9. Interest in an associate (Continued)

Interest in an associate represents the Group's 42.42% (30 April, 2005: 42.45%) interest in the issued ordinary share capital of ASAT Holdings Limited ("ASAT"), a limited company incorporated in the Cayman Islands and its shares are listed on the NASDAQ. ASAT and its subsidiaries are principally engaged in the provision of assembly and testing of integrated circuits.

Note: Negative goodwill arising from deemed acquisitions

## 簡明財務報告附註(續)

### 9. 聯營公司權益(續)

聯營公司權益指本集團所佔於開曼群島註冊成立之有限公司ASAT Holdings Limited(「樂依文」)已發行普通股之42.42%(二零零五年四月三十日: 42.45%)股本權益。其股份在美國全國證券商自動報價協會系統(NASDAQ)上市。樂依文及其附屬公司主要從事裝配及測試集成電路業務。

附註: 被視為收購所產生之負商譽

		(Unaudited) (未經審核) HK\$'M 百萬港元
<b>Gross amount</b>	<b>總值</b>	
At 1 May, 2004 and 30 April, 2005	於二零零四年五月一日及 二零零五年四月三十日	6
<b>Released to income</b>	<b>轉撥至收入</b>	
At 1 May, 2004	於二零零四年五月一日	3
Released during the year	年內轉撥	1
		4
At 30 April, 2005	於二零零五年四月三十日	4
<b>Carrying Amount</b>	<b>賬面值</b>	
At 30 April, 2005	於二零零五年四月三十日	2
Derecognised upon the adoption of HKFRS 3	於採納香港財務報告準則 第3號時終止確認	(2)
At 1 May, 2005	於二零零五年五月一日	-

As explained in Note 1(a), the unamortised negative goodwill arising on acquisition prior to 1 May, 2005 was derecognised as a result of the adoption of HKFRS 3.

誠如附註1(a)內所述，由於採納香港財務報告準則第3號之緣故，所以終止確認於二零零五年五月一日前因收購而產生之未攤銷負商譽。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 9. Interest in an associate (Continued)

The following details have been extracted from the unaudited condensed consolidated financial statements of ASAT prepared in accordance with accounting principles generally accepted in Hong Kong, among other things, following the adoption of new/reviewed HKFRSs and HKASs as explained in note 1, by the management of ASAT but have not been reviewed by its own auditors and accordingly, may or would be subject to changes or adjustments, if any, when its consolidated financial statements for the year ending 30 April, 2006 is audited:

#### Results for the period

Turnover	營業額
Loss from ordinary activities before taxation	除稅前經營業務虧損
Share of results of an associate attributable to the Group	本集團分佔聯營公司之業績

#### Financial position

Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
Net assets	資產淨值
Net assets attributable to the Group	本集團應佔資產淨值

## 簡明財務報告附註(續)

### 9. 聯營公司權益(續)

下文為摘錄自樂依文未經審核簡明綜合財務報告之詳情，此乃樂依文管理層於包括採納新訂／經修訂之香港財務報告準則及香港會計準則(見附註1所闡釋)後，按照香港普遍採納之會計原則編製，但並未經由其本身之核數師審閱，因而於其截至二零零六年四月三十日止年度之綜合財務報告經審核後，可能須作出改動或調整(如有)：

#### 期間業績

		(Unaudited) (未經審核)	
		Six months ended 31 October, 截至十月三十一日止六個月	
		2005 二零零五年	2004 二零零四年 (Restated) (重列)
		HK\$'M 百萬港元	HK\$'M 百萬港元
Turnover	營業額	655	804
Loss from ordinary activities before taxation	除稅前經營業務虧損	(173)	(127)
Share of results of an associate attributable to the Group	本集團分佔聯營公司之業績	(6)	(53)

#### 財務狀況

		(Unaudited) (未經審核)	
		31 October, 2005 二零零五年 十月三十一日	30 April, 2005 二零零五年 四月三十日
		HK\$'M 百萬港元	HK\$'M 百萬港元
Non-current assets	非流動資產	900	844
Current assets	流動資產	581	590
Current liabilities	流動負債	(480)	(399)
Non-current liabilities	非流動負債	(1,321)	(1,202)
Net assets	資產淨值	(320)	(167)
Net assets attributable to the Group	本集團應佔資產淨值	-	-



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 9. Interest in an associate (Continued)

During the second half of financial year ended 30 April, 2005 the Company has discontinued recognition of its share of losses of ASAT. The Group's share of losses of an associate for the period under review amounted to HK\$6 million which represented the attributable fair value of the warrants acquired in conjunction with the Group's participation in the financing of ASAT as more fully described in note 10. The unrecognised share of loss for the period under review was HK\$67 million (2004: nil) and HK\$146 million cumulatively to 31 October, 2005. (Restated cumulative unrecognised share of losses to 30 April, 2005: HK\$79 million).

### 10. Investment in convertible preferred shares

On 31 July, 2005, the Company entered into a securities purchase agreement with Asia Opportunity Fund, L.P. and its affiliate funds ("AOF"), which held approximately 28.9% of the issued ordinary shares of ASAT, and ASAT in relation to a US\$15 million financing (equivalent to approximately HK\$117 million) for ASAT, of which the Group will contribute US\$7.5 million (equivalent to approximately HK\$58 million). ASAT will issue 300,000 convertible preferred shares for a total price of US\$15 million (equivalent to approximately HK\$117 million), representing an issue price of US\$50.00 per convertible preferred share, which will be purchased by AOF and the Group in equal proportions. On 27 October, 2005 ("Closing"), the preferred share financing was completed and the Group invested US\$7.5 million (approximately HK\$58 million) for 150,000 convertible preferred shares for the equivalent amount at an issue price of US\$50.00 per convertible preferred share. Each convertible preferred share will, at any time and from time to time, be convertible, at the option of the holder, into ordinary shares of ASAT at a conversion price equal to US\$0.09 per ordinary share (equivalent to US\$0.45 per American Depository Share ("ADS"), one ADS equivalent to 5 ordinary shares), subject to customary adjustment for share splits, dividends, re-combinations and similar transactions. The convertible preferred shares would also be subject to a potential 'reset' of the conversion price on 31 October, 2006 to 80% of the average trading price of ADSs during the preceding three months, subject to a floor of US\$0.065 per ordinary share (equivalent to US\$0.325 per ADS).

## 簡明財務報告附註(續)

### 9. 聯營公司權益(續)

於截至二零零五年四月三十日止財政年度下半年期間，本公司不再確認其分佔樂依文之虧損。於回顧期內，本集團分佔聯營公司之虧損為6,000,000港元，即本集團就參與樂依文融資(進一步詳情載於附註10)時所購入之認股權證之應佔公平值。於回顧期間內，未確認分佔虧損為67,000,000港元(二零零四年：無)，而截至二零零五年十月三十一日之累計未確認虧損則為146,000,000港元(截至二零零五年四月三十日之重列累計未確認分佔虧損：79,000,000港元)。

### 10. 可換股優先股投資

於二零零五年七月三十一日，本公司與Asia Opportunity Fund, L.P.及其聯屬基金(「AOF」，持有樂依文已發行普通股約28.9%)及樂依文就為樂依文籌集15,000,000美元(相當於約117,000,000港元)(其中本集團將出資7,500,000美元(相當於約58,000,000港元))訂立證券購買協議。樂依文將發行總價格為15,000,000美元(相當於約117,000,000港元)之300,000股可換股優先股(即發行價為每股可換股優先股50.00美元)，將由AOF及本集團以等額比例購買。優先股融資於二零零五年十月二十七日完成(「完成」)，而本集團已按發行價每股可換股優先股50.00美元斥資7,500,000美元(約58,000,000港元)購入150,000股可換股優先股。每股可換股優先股可隨時及不時由持有人選擇按換股價每股普通股0.09美元(相當於每股美國預託證券(「預託證券」)0.45美元，每股預託證券相當於5股普通股)轉換為樂依文之普通股，而該價格可就股份拆細、股息、重新合併及同類交易作出慣常調整。可換股優先股之換股價可於二零零六年十月三十一日調整至於該日起計對上三個月預託證券之平均成交價之80%，惟調整下限為每股普通股0.065美元(相當於每股預託證券0.325美元)。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 10. Investment in convertible preferred shares (Continued)

ASAT has agreed to issue to the Group and AOF, on Closing, five-year warrants to purchase a total of 5 million ordinary shares (equivalent to 1 million ADSs, representing 500,000 ADSs for each of the Group and AOF), exercisable at a price of US\$0.01 per ordinary share (equivalent to US\$0.05 per ADS) as an arrangement fee. In addition, on Closing, ASAT will issue five-year warrants to purchase 15 million ordinary shares (equivalent to 3 million ADSs, representing 1.5 million ADSs for each of the Group and AOF), also exercisable at a price of US\$0.01 per ordinary share (equivalent to US\$0.05 per ADS). Accordingly, on Closing, the Group was issued warrants to subscribe a total of 10 million ordinary shares. On issue of the warrants, no sums are payable to ASAT by the Group.

The consideration of the Group was in form of the conversion, on a dollar-for-dollar basis, of its account receivable due from ASAT as at Closing.

The Group, by reference to the market information available, assessed the fair value of the warrants for a total 10 million ordinary shares (equivalent to 2 million ADS) mentioned above, the intrinsic value of the beneficial conversion feature and the loan portion of the convertible preferred shares respectively. As at 27 October, 2005, the fair value of the warrants was estimated to be approximately US\$0.8 million (equivalent to approximately HK\$6 million), the intrinsic value of the beneficial conversion feature was estimated to be approximately US\$3.1 million (equivalent to approximately HK\$24 million) and the loan portion of the convertible preferred shares was estimated to be approximately US\$3.6 million (equivalent to approximately HK\$28 million) respectively. The effective interest rate for the loan portion was estimated to be approximately 27% per annum. At the balance sheet date, there were no material fluctuations to the estimated fair values. The Group will engage independent appraisers to assess the fair value of the warrants, the intrinsic value of the beneficial conversion feature and the loan portion of the convertible preferred shares for the purposes of preparing the annual report for the year ending 30 April, 2006 and would adjust any changes in fair values at year end date accordingly.

## 簡明財務報告附註(續)

### 10. 可換股優先股投資(續)

樂依文同意於完成時發行五年期認股權證予本集團及AOF，合共可購買5,000,000股樂依文普通股(相當於1,000,000股預託證券，本集團及AOF各佔500,000股預託證券)，行使價(作為安排費用)為每股普通股0.01美元(相當於每股預託證券0.05美元)。此外，於完成時，樂依文將發行五年期認股權證，合共可購買15,000,000股樂依文普通股(相當於3,000,000股預託證券，本集團及AOF各佔1,500,000股預託證券)，行使價同樣為每股普通股0.01美元(相當於每股預託證券0.05美元)。據此，於完成時，本集團獲發行合共可購買10,000,000股樂依文普通股之認股權證。於發行該等認股權證時，本集團概無需支付任何款項給樂依文。

本公司以等額轉換樂依文於完成時所欠應收賬款之形式出資。

本集團已參考公開市場資料，對上文所述可合共認購10,000,000普通股(相當於2,000,000股預託證券)之認股權證之公平值，以及實益換股性質之內在價值及可換股優先股之應收貸款部分作出個別評估。於二零零五年十月二十七日，認股權值之公平值估計約為800,000美元(相當於約6,000,000港元)、實益換股性質之內在價值估計約為3,100,000美元(相當於約24,000,000港元)，而可換股優先股之應收貸款部分則估計約為3,600,000美元(相當於約28,000,000港元)。貸款部分之實際利率估計約為每年27厘。於結算日，估計公平值並無重大波動。本集團將委聘獨立估值師，對認股權證之公平值、實益換股性質之內在價值及可換股優先股之貸款部分進行出個別評值，以供編製截至二零零六年四月三十日止年度之年報，並會據此就年結日之公平值變動作調整。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 10. Investment in convertible preferred shares (Continued)

The warrants, being an investment in the equity of ASAT, form part of the Group's investment in the associate and accordingly is subject to sharing of the accumulated losses of ASAT previously unrecognised. The loan portion is stated at amortised cost while the intrinsic value of the conversion feature is stated as financial assets at fair value through profit and loss on the balance sheet.

### 11. Trade and other receivables

The Group allows a credit period ranging from 30 to 60 days to its trade customers. The following is an aged analysis of trade receivables at the reporting date:

## 簡明財務報告附註(續)

### 10. 可換股優先股投資(續)

認股權證(即於樂依文股權之投資)為本集團於聯營公司之投資之一部分,因而受先前未確認之分佔樂依文累計虧損之影響。貸款部分乃以攤銷成本基準列賬,而換股性質之內在價值則以結算日計入損益之金融資產公平值列賬。

### 11. 貿易及其他應收款項

本集團給予貿易客戶之信貸期介乎30至60日。貿易應收款項於本報告日期之賬齡分析如下:

		(Unaudited) (未經審核)	
		31 October, 2005 二零零五年 十月三十一日 HK\$'M 百萬港元	30 April, 2005 二零零五年 四月三十日 HK\$'M 百萬港元
Trade receivables	貿易應收款項		
Within 30 days	30日內	19	17
Between 31 and 60 days	31至60日	16	11
Between 61 and 90 days	61至90日	10	6
Over 90 days	90日以上	5	12
		50	46
Other receivables	其他應收款項	-	1
		50	47

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 12. Trade receivables due from an associate

The Group allows a credit period of 30 to 60 days to its associate. The following is an aged analysis at the reporting date:

		(Unaudited) (未經審核)	30 April, 2005
		31 October, 2005	二零零五年 四月三十日
		二零零五年 十月三十一日	二零零五年 四月三十日
		HK\$'M	HK\$'M
		百萬港元	百萬港元
Within 30 days	30日內	9	13
Between 31 and 60 days	31至60日	-	8
Between 61 and 90 days	61至90日	-	1
Over 90 days	90日以上	-	5
		<u>9</u>	<u>27</u>

### 13. Trade and other payables

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

		(Unaudited) (未經審核)	30 April, 2005
		31 October, 2005	二零零五年 四月三十日
		二零零五年 十月三十一日	二零零五年 四月三十日
		HK\$'M	HK\$'M
		百萬港元	百萬港元
Trade payables	貿易應付款項		
Within 30 days	30日內	10	7
Between 31 and 60 days	31至60日	9	4
Between 61 and 90 days	61至90日	4	1
Over 90 days	90日以上	3	3
		<u>26</u>	<u>15</u>
Other payables	其他應付款項	2	2
		<u>28</u>	<u>17</u>

## 簡明財務報告附註(續)

### 12. 應收聯營公司之貿易款項

本集團給予聯營公司之信貸期為30至60日。於本報告日期之賬齡分析如下：

### 13. 貿易及其他應付款項

貿易應付款項於本報告日期之賬齡分析如下：

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 14. Provision for obligations crystallised under guarantees

This represents an outstanding amount pursuant to the settlement agreement entered into with National Assembly for Wales and Welsh Development Agency in May 2004 for the settlement of the claim on the guarantees provided by the Company in respect of operating lease obligations and industrial grants of its former subsidiaries incorporated in the United Kingdom in prior years. Pursuant to the agreement, the Company settled GBP2.1 million during the year ended 30 April, 2005 and a further of GBPO.3 million in July 2005. In August 2005, the remaining balance of GBPO.3 million has been agreed to be repayable by 3 equal monthly instalments commencing on January 2006.

### 15. Share capital

Authorised:	法定股本：		
Ordinary shares of HK\$0.08 each	每股面值0.08港元之普通股	1,500,000,000	120
Redeemable preference share of HK\$0.02 each	每股面值0.02港元之可贖回優先股	500,000,000	10
Issued and fully paid:	已發行及繳足股本：		
Ordinary shares of HK\$0.08 each	每股面值0.08港元之普通股	639,370,152	51
At 1 May, 2005	於二零零五年五月一日	25	-
Issued upon exercise of warrants	於行使認股權證時發行		
At 31 October, 2005	於二零零五年十月三十一日	639,370,177	51

#### Warrants

At 30 April, 2005, The Company had outstanding warrants of HK\$232,730,057.56 entitling the holders to subscribe for 127,873,658 new shares at an exercise price of HK\$1.82 per share, subject to adjustment, at any time from 15 October, 2004 up to and including 14 October, 2007. Registered holders of 25 warrants have exercised their rights during the period and, at 31 October, 2005, the Company had outstanding warrants of HK\$232,730,012.06.

## 簡明財務報告附註(續)

### 14. 履行擔保責任撥備

該等款額指根據於二零零四年五月與National Assembly for Wales及Welsh Development Agency達成之和解協議，償還本公司於過往年度就其於英國註冊成立之前附屬公司之營業租約責任及工業資助而提供擔保之索償。根據該協議，本公司於截至二零零五年四月三十日止年度償還2,100,000英鎊，復於二零零五年七月再償還300,000英鎊。於二零零五年八月，餘下結欠之300,000英鎊乃協定將由二零零六年一月起分三期按月等額償還。

### 15. 股本

	Number of shares 股份數目	Nominal Value 面值 HK\$'M 百萬港元
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Authorised:	法定股本：		
Ordinary shares of HK\$0.08 each	每股面值0.08港元之普通股	1,500,000,000	120
Redeemable preference share of HK\$0.02 each	每股面值0.02港元之可贖回優先股	500,000,000	10
Issued and fully paid:	已發行及繳足股本：		
Ordinary shares of HK\$0.08 each	每股面值0.08港元之普通股	639,370,152	51
At 1 May, 2005	於二零零五年五月一日	25	-
Issued upon exercise of warrants	於行使認股權證時發行		
At 31 October, 2005	於二零零五年十月三十一日	639,370,177	51

#### 認股權證

於二零零五年四月三十日，本公司之尚未行使認股權證達232,730,057.56港元，持有人可於二零零四年十月十五日至二零零七年十月十四日(包括該日)止任何時間按每股1.82港元之行使價(可予調整)認購127,873,658股新股份。期內，25份認股權證之登記持有人行使彼等之權利，於二零零五年十月三十一日，本公司之尚未行使認股權證達232,730,012.06港元。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

## 簡明財務報告附註(續)

### 16. Equity attributable to the Company's shareholders

### 16. 本公司股東應佔權益

		Share Capital	Share premium	Contributed surplus	Capital redemption reserve	Capital reserve	Other property revaluation reserve	Investment revaluation reserve	Translation reserve	Goodwill on consolidation	Accumulated (losses) profit	Total
		股本	股份溢價	實繳盈餘	贖回儲備	資本儲備	其他物業重估儲備	投資重估儲備	匯兌儲備	綜合賬目時之商譽	累計(虧損)溢利	總額
		HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$M	HK\$'M	HK\$'M	HK\$'M
		百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元	百萬港元
Balance at 1 May, 2004,	於二零零四年五月一日之結餘											
As previously reported	如前呈報	51	1,558	40	12	9	66	-	-	(45)	(1,190)	501
Adoption of HKFRS 2 of an associate (Note 1(c))	聯營公司採納香港財務報告準則第2號(附註1(c))	-	-	-	-	-	-	-	-	-	(2)	(2)
As restated	經重列	51	1,558	40	12	9	66	-	-	(45)	(1,192)	499
Capital organisation (Note)	股本重組(附註)	-	(1,479)	-	-	-	-	-	-	-	1,479	-
Deficit on revaluation of investments in securities recognised directly in equity	證券投資之重估減值直接在權益內確認	-	-	-	-	-	-	(1)	-	-	-	(1)
Loss for the period, restated	期內虧損(重列)	-	-	-	-	-	-	-	-	-	(123)	(123)
Total recognised income and expenses for the period	期內確認收支總額	-	(1,479)	-	-	-	-	(1)	-	-	1,356	(124)
Balance at 31 October, 2004, restated	於二零零四年十月三十一日之結餘(重列)	51	79	40	12	9	66	(1)	-	(45)	164	375
Exchange difference arising on foreign operations and share of reserve of an associate	匯兌海外業務差額及分佔聯營公司儲備產生之匯兌差額	-	-	-	-	-	-	-	(1)	-	-	(1)
Released upon disposal of Properties	出售物業時解除	-	-	-	-	-	(66)	-	-	-	66	-
Net expenses recognised directly in equity	直接在權益確認之開支	-	-	-	-	-	(66)	-	(1)	-	66	(1)
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	-	(144)	(144)
Total recognised income and expenses for the period	期內確認收支總額	-	-	-	-	-	(66)	-	(1)	-	(78)	(145)
Balance at 30 April, 2005,	於二零零五年四月三十日之結餘											
As previously reported	如前呈報	51	79	40	12	9	-	(1)	(1)	(45)	86	230
Adoption of HKFRS 3 (Note 1(a))	採納香港財務報告準則第3號(附註1(a))	-	-	-	-	-	-	-	-	45	(43)	2
As restated	經重列	51	79	40	12	9	-	(1)	(1)	-	43	232
Loss for the period	期內虧損	-	-	-	-	-	-	-	-	-	(29)	(29)
Balance at 31 October, 2005	於二零零五年十月三十一日之結餘	51	79	40	12	9	-	(1)	(1)	-	14	203

Note: On 11 October, 2004, a special resolution was passed at a special general meeting to approve a capital reorganisation scheme by the utilisation of the share premium account to set off the accumulated losses of the Company at an amount of HK\$1,479 million outstanding at that date, thereby paving the way for future declaration of dividend.

附註：於二零零四年十月十一日，於股東特別大會上通過一項特別決議案以批准股本重組計劃，透過運用股份溢價賬以撇銷該日本公司之累計虧損1,479,000,000港元，為日後宣派股息鋪路。



NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

簡明財務報告附註(續)

17. Borrowings

17. 借貸

		(Unaudited) (未經審核)	
		31 October, 2005 二零零五年 十月三十一日 HK\$'M 百萬港元	30 April, 2005 二零零五年 四月三十日 HK\$'M 百萬港元
Secured long term bank loans repayable within one year	須償還有抵押長期銀行貸款於一年內	3	4
in the second year	第二年	—	1
		<u>3</u>	<u>5</u>
Other secured long term loans (Note a) repayable within one year	須償還其他有抵押長期貸款於(附註a)一年內	38	20
in the second year	第二年	8	35
		<u>46</u>	<u>55</u>
Other unsecured long term loans (Note b) repayable within one year	須償還其他無抵押長期貸款於(附註b)一年內	4	5
in the second year	第二年	—	1
		<u>4</u>	<u>6</u>
Loan from a director (Note c) repayable within one year	須於一年內償還之董事貸款(附註c)	70	68
		123	134
Less: Amount due within one year shown under current liabilities	減：於一年內到期列作流動負債之款項	(115)	(97)
		<u>8</u>	<u>37</u>

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 17. Borrowings (Continued)

Notes:

- (a) The loans are secured on certain plant and equipment and carry interest at commercial rates.
- (b) The loans are unsecured and carry interest at commercial rates.
- (c) The loans are advanced from Mr. Li Tung Lok, a director and a substantial shareholder of the Company, and interest-free, unsecured and repayable on demand. The fair value of this loan, which is determined based on the present value of the estimated future cash flows discounted using the prevailing market rate at the balance sheet date, approximates to its carrying amount.

### 18. Capital commitments

At 31 October, 2005, the Group had outstanding capital commitments as follows:

Capital expenditure in respect of acquisition of property, plant and equipment authorised and contracted for

有關購買已授權及訂約之物業、機器及設備之資本開支

## 簡明財務報告附註(續)

### 17. 借貸(續)

附註：

- (a) 貸款乃以廠房及設備作抵押，並按商業利率計息。
- (b) 貸款為無抵押，並按商業利率計息。
- (c) 貸款乃由本公司董事兼主要股東李同樂先生以免息及無抵押墊支，並須於要求時償還。是項貸款之公平值乃根據於結算日之當時市場利率折算之預期未來現金流現值釐定，與其面值相若。

### 18. 資本承擔

於二零零五年十月三十一日，本集團未履行之資本承擔如下：

		(Unaudited) (未經審核)	
		31 October, 2005 二零零五年 十月三十一日	30 April, 2005 二零零五年 四月三十日
		HK\$'M 百萬港元	HK\$'M 百萬港元
		1	1

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 19. Pledge of assets

At 31 October, 2005,

- (a) In connection with the disposal of a 50% interest in ASAT during the year ended 30 April, 2000, the Group indemnified the acquiring investor group for various tax liabilities of the ASAT group by pledging its shares in ASAT to the investor group. The pledge initially applies to 70% of the Group's interest in ASAT and decreases in stages to 0% over six years (subject to any tax indemnification amounts arising prior to the expiration of the six year period and remaining outstanding upon expiration of this period). Approximately a 11% (30 April 2005: 11%) interest in ASAT was pledged to the investor group.
- (b) Plant and equipment with a net book value of HK\$67 million (30 April 2005: HK\$74 million) were pledged to secure certain bank and other loans granted to the Group.

## 簡明財務報告附註(續)

### 19. 資產抵押

於二零零五年十月三十一日，

- (a) 就截至二零零零年四月三十日止年度內出售樂依文之50%權益事宜，本集團向一眾收購投資者集團抵押其所持若干樂依文股份，就樂依文集團之多項稅項負債而向投資者集團作出賠償保證。上述抵押原佔本集團所擁有樂依文之70%權益，其後分六年逐步減至0%（視乎六年期屆滿前出現之任何稅項賠償保證及該期間屆滿時之餘款而定）。約11%（二零零五年四月三十日：11%）之樂依文權益已抵押予投資者集團。
- (b) 賬面淨值67,000,000港元（二零零五年四月三十日：74,000,000港元）之機器及設備已作抵押，作為本集團獲授之若干銀行貸款及其他貸款之擔保。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 20. Contingent liability

At 31 October, 2005, the Group had a contingent liability in respect of a lawsuit initiated by an employee against a subsidiary of the Company in the High Court in Hong Kong for claiming damages of approximately HK\$3 million arising from alleged injuries in relation to an alleged industrial accident in the work place. The Company has taken out employees compensation policy to cover the alleged industrial accident and the insurer has taken over conduct of the proceedings on behalf of the Company on a without prejudice basis. The Directors consider that the chance to the Group to contribute to such settlement, if any, is not probable and accordingly, no provision for compensation has been made in the financial statement.

### 21. Related party transactions

In the ordinary course of business, the Group entered into the following related party transactions:

(a) ASAT group

## 簡明財務報告附註(續)

### 20. 或然負債

於二零零五年十月三十一日，本集團就一位僱員於香港高等法院向本公司某附屬公司提出訴訟而有或然負債，該訴訟乃關於工作地點發生之指稱工業意外之指稱損傷索取損傷賠償約3,000,000港元。本公司已採用員工保險賠償保險保障該項指稱工業意外之賠償，而保險人亦按無損權利之基準代表本公司進行法律程序。董事認為本集團須承擔有關索償(如有)之機會不大，因此並無在財務報告內就賠償作出撥備。

### 21. 關連人士交易

於日常業務過程中，本集團曾進行下列關連人士交易：

(a) 樂依文集團

		(Unaudited) (未經審核)	
		Six months ended 31 October, 截至十月三十一日止六個月	
		2005 二零零五年 HK'M 百萬港元	2004 二零零四年 HK'M 百萬港元
ASAT Group (Note)	樂依文集團 (附註)		
Sales of integrated circuit leadframes, heatsinks and stiffeners	銷售集成電路引線框、散熱器與加強桿	86	116
Rental income	租金收入	—	10

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 21. Related party transactions (Continued)

#### (a) ASAT group (Continued)

Note: Sales of integrated circuit leadframes, heatsinks and stiffeners were carried out in at predetermined prices for the reporting periods (30 April 2005: at market prices).

Rental income was determined based on prevailing market rent when the tenancy agreement was agreed between the parties.

In June 2005, QPL Limited and Talent Focus Industries Limited, the wholly-owned subsidiaries of the Company, entered into a Supply Agreement with ASAT Limited, a wholly-owned subsidiary of ASAT, as the refinement of a pull system program made in August 2004 with a primary purpose to reduce delivery cycle time by maintaining minimum inventory level agreed by all parties concerned. Starting from 1 May 2005, the finished goods produced by QPL Limited pursuant to the forecast provided by ASAT Limited but remained undelivered for over 3 months, ASAT Limited is liable for paying 66% of sale prices of these undelivered finished goods to QPL Limited. At 31 October 2005, amount receivable from ASAT under this program and included in deposits and accrued expenses amounted to HK\$0.4 million (30 April 2005: HK\$4 million).

(b) Interest free loans are obtained from a director, as disclosed in note 17.

## 簡明財務報告附註(續)

### 21. 關連人士交易(續)

#### (a) 樂依文集團(續)

附註：於報告期間銷售集成電路引線框、散熱器與加強桿乃按預先釐定之價格進行(二零零五年四月三十日：按市價)。

租金收入乃於雙方協定租約時按現行市值租金而釐定。

於二零零五年六月，本公司之全資附屬公司品質有限公司及駿福實業有限公司與樂依文之全資附屬公司樂依文科技有限公司訂立供應協議，以使於二零零四年八月訂立之拉動系統計劃更加完善，該計劃之主要目的為透過維持協議各方協定之存貨下限水平而減低付運週期時間。自二零零五年五月一日起，因應樂依文科技有限公司之預測由品質有限公司生產，惟於三個月後仍未付運之製成品，樂依文科技有限公司須向品質有限公司支付該等未付運製成品之66%售價。於二零零五年十月三十一日，根據此計劃應向樂依文收取之款項(已以按金及應計費用入賬)合共為400,000港元(二零零五年四月三十日：4,000,000港元)。

(b) 誠如附註17所披露，免息貸款乃自一名董事取得。

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 22. Subsequent Event

On 1 November, 2005, the Company announced that the Board proposed to raise not less than approximately HK\$79 million, before expenses, by issuing not less than 127,874,034 rights shares but not more than 153,448,761 rights shares (the "Rights Shares") at a price of HK\$0.62 per Right Share (the "Subscription Price") by way of the rights issue on the basis of one rights share for every five existing ordinary shares held (the "Rights Issue") on the record date (being 8 December, 2005) to the qualifying shareholders (the "Qualified Shareholders"). On 26 October, 2005, Mr. Li Tung Lok ("Mr. Li"), one of the executive directors, and his concert parties, together being the controlling shareholder of the Company, signed an irrevocable undertakings (the "Irrevocable Undertakings") pursuant to which they have irrevocably undertaken to take up all their entitlements under the Rights Issue. On the same day, the Company entered into (i) an underwriting agreement (the "Underwriting Agreement") with Mr. Li and Kingston Securities Limited, collectively being the underwriters (the "Underwriters") pursuant to which the Underwriters have conditionally agreed to underwrite the balance of the Rights Shares not subscribed by the Qualified Shareholders on a fully underwritten basis and (ii) a Loan Capitalisation Deed with Mr. Li pursuant to which the Company and Mr. Li have agreed that the aggregate Subscription Price required to be paid by Mr. Li and his concert parties under the Irrevocable Undertakings and by Mr. Li under the Underwriting Agreement will be deemed to be paid by way of the full or partial capitalisation of the Loan in the amount of HK\$64 million, on the terms but subject to the conditions set out in the Loan Capitalisation Deed.

## 簡明財務報告附註(續)

### 22. 結算日後事項

於二零零五年十一月一日，本公司宣佈董事會建議以供股方式，按每股供股股份0.62港元之價格（「認購價」），向合資格股東（「合資格股東」）發行不少於127,874,034股供股股份但不多於153,448,761股供股股份，藉此集資不少於約79,000,000港元（未計開支）。供股基準為於記錄日期（即二零零五年十二月八日）每持有五股現有普通股獲配發一股供股股份（「供股」）。於二零零五年十月二十六日，李同樂先生（「李先生」，其中一名執行董事）及其一致行動人士（共同一起為本公司之控股股東）簽立不可撤回承諾（「不可撤回承諾」），據此，彼等已不可撤回地承諾接納彼等之全部供股配額。於同日，本公司與（i）李先生及金利豐證券有限公司（統稱「包銷商」）訂立包銷協議，根據包銷協議，包銷商已有條件同意以全數包銷基準包銷其餘未獲股東認購之供股股份；（ii）李先生訂立貸款資本化契據，據此，本公司與李先生已同意，李先生及其一致行動人士根據不可撤回承諾之應付總認購價，以及李先生根據包銷協議之應付總認購價，將根據貸款資本化契據所載之條款（惟須符合其條件）透過將64,000,000港元之貸款全數或部分資本化而視為已獲支付。



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

### 22. Subsequent Event (Continued)

Given that the Loan Capitalisation constitutes a connected party transaction and Mr. Li and his concert parties will trigger a mandatory general offer under Ruler 26 of the Hong Kong Code on Takeovers and Merger as a result of the Rights Issue transactions contemplated under the Underwriting Agreement and the Irrevocable Undertakings, of which a waiver (the "Whitewash Waiver") shall be sought from the Securities and Future Commission, the Rights Issue, Loan Capitalisation and the Whitewash Waiver are required to be approved by the independent shareholders by way of poll at the special general meeting (the "SGM"). The SGM were held on 8 December, 2005 and all these resolutions were duly passed.

On 30 December, 2005, the Rights Issue became unconditional and was completed by the issue of 127,874,034 new ordinary shares raising approximately HK\$79.28 million, before expenses, of which approximately HK\$59.46 million was set off by the Loan Capitalisation and the remaining balance was used as the general working capital of the Group. Upon the completion of the Rights Issue, the exercise price of the outstanding warrants of the Company was adjusted in accordance with the terms of the warrant instrument dated 12 October, 2004 from HK\$1.82 to HK\$1.78 per ordinary share.

## 簡明財務報告附註(續)

### 22. 結算日後事項(續)

鑒於貸款資本化構成一項關連交易，而李先生及其一致行動人士將因包銷協議及不可撤回承諾項下擬進行之供交易觸發香港公司收購及合併守則第26條項下提出強制性全面收購建議之責任，因而須向證券及期貨事務監察委員會申請豁免(「清洗豁免」)，而供股、貸款資本化及清洗豁免均須獲股東於股東特別大會(「股東特別大會」)上以點票方式批准方可作實。股東特別大會已於二零零五年十二月八日舉行，而所有該等決議案均已獲正式通過。

於二零零五年十二月三十日，供股已成為無條件，並藉發行127,874,034股新股籌得約79,280,000港元(未計開支)完成，當中約59,460,000港元已藉將貸款資本化抵銷，而餘款已用作本集團之一般營運資金。於供股完成後，本公司尚未行使之認股權證之行使價已按照日期為二零零四年十月十二日之認股權證文件之條款，由每股普通股1.82港元調整為每股普通股1.78港元。