

27/09/2004bdi.

Remarks:

1. Adoption of Hong Kong Financial Reporting Standards

In the current year, the Group has adopted the following Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Society of Accountants ("HKSA"), the term of HKFRS is inclusive of Statements of Standard Accounting Practice ("SSAPs") and Interpretations approved by the HKSA:

SSAP 12 (Revised) Income taxes

The principal effect of the implementation of SSAP 12 (Revised) is in relation to deferred tax. In previous years, partial provision was made for deferred tax using the income statement liability method under which a liability was recognised in respect of timing differences arising, except where those timing differences were not expected to reverse in the foreseeable future. SSAP 12 (Revised) requires the adoption of a balance sheet liability method, whereby deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, with limited exceptions. In the absence of any specific requirements in SSAP 12 (Revised), the new accounting policy has been applied retrospectively. Comparative amounts have been restated accordingly. The adoption of SSAP 12 (Revised) resulted in a decrease in accumulated losses and other properties revaluation reserve of the Group as at 1st May, 2002 of HK\$3 million and HK\$6 million respectively and the decrease in profit of the Group for the year ended 30th April, 2004 of HK\$2 million (2003: decrease in loss of HK\$1 million) but it had no material effect on other properties revaluation reserve for both years.

2. Turnover

Turnover represents the net amounts received and receivable for goods sold and services provided by the Group to outside customers and rental income earned during the year as follows:

| | For the year ended |
|--|--------------------|
| 30th April, | |
| 2003 | 2004 |
| | HK\$'M |
| HK\$'M | |
| Manufacture and sales of integrated circuit leadframes, heatsinks and stiffeners | 445 |
| 395 | |
| Rental income from property investment | 25 |
| 24 | |
| ----- | ----- |
| | 470 |
| 419 | |
| ===== | ===== |

3. Share of results of an associate

| | For the year ended |
|---|--------------------|
| 30th April, | |
| 2003 | 2004 |
| | HK\$'M |
| HK\$'M | |
| Loss from ordinary activities before taxation attributable to the Group | |
| Loss before non-recurring items | (15) |
| (93) | |
| Impairment loss on property, plant and equipment | (8) |
| (274) | |
| Reorganisation expenses in relation to cost reduction program | -- |
| (3) | |
| Charge on early redemption of senior notes | (34) |
| -- | |
| Facilities charges | (1) |
| -- | |
| ----- | ----- |
| | (58) |
| (370) | |
| ===== | ===== |

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4. Earnings (loss) per share

The calculation of the basic and diluted earnings (loss) per share is based on the following data:

| | For the year ended |
|---|--------------------|
| 30th April, | 2004 |
| 2003 | |
| Earnings (loss) for the purposes of basic and diluted earnings (loss) per share | HK\$10M |
| HK\$(477)M | |

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| | |
|---|-------------|
| Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings (loss) per share | 639,368,115 |
| 556,211,341 | |

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

The computation of diluted earning (loss) per share for both years does not assume the exercise of the share options and warrants of the Company because the exercise prices of share options and warrants were greater than the average market price of the Company's share.