



OMNICORP LIMITED
兩儀控股有限公司*

(Incorporated in Bermuda with limited liability)

Stock Code:94

BOARD OF DIRECTORS

Wong Kin Chi (*Chairman and Independent Non-Executive Director*)

Sung Yan Wai, Petrus

Hui Tung Wah, Samuel

Wong Che Keung, Richard
(*Independent Non-Executive Director*)

Tong Yee Yung, Joseph
(*Independent Non-Executive Director*)

AUDIT COMMITTEE

Wong Che Keung, Richard (*Chairman*)

Tong Yee Yung, Joseph

Wong Kin Chi

REMUNERATION COMMITTEE

Tong Yee Yung, Joseph (*Chairman*)

Wong Che Keung, Richard

Wong Kin Chi

COMPANY SECRETARY

Man Sau Ying, Karen

QUALIFIED ACCOUNTANT

Tam Wing Yiu, Alex

REGISTERED OFFICE

Canon's Court
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Bermuda

STOCK CODE

94

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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INDEPENDENT AUDITORS

Moore Stephens

SOLICITORS

Sit, Fung, Kwong & Shum

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

PRINCIPAL REGISTRAR & TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street
Hamilton HM DX
Bermuda

HONG KONG BRANCH SHARE REGISTRAR & TRANSFER OFFICE

Tricor Tengis Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REVIEW OF OPERATIONS AND FUTURE PROSPECTS

For the six months ended 30 June 2007 (the "Current Period"), Omnicorp Limited (the "Company") together with its subsidiaries (the "Group"), made a loss after tax and before minority interests of HK\$3,767,000 compared with a profit of HK\$3,625,000 for the same period last year. Net loss attributable to shareholders for the Current Period amounted to HK\$3,780,000 compared with a net loss of HK\$3,351,000 for the same period last year.

Total turnover of the Group amounted to HK\$59,283,000, a decrease of 41.2% compared with the turnover of HK\$100,886,000 for the same period last year. Gross margin increased from 9.9% to 16.0%.

The Group's electronic component division including its key operating unit, Lik Hang Holdings Limited recorded a decrease of revenue from HK\$98,692,000 for the same period last year to HK\$58,494,000 for the Current Period representing a decrease of 40.7%. Contribution to operating profit, however, recorded only a slight decrease of 3.9% from HK\$3,929,000 for the same period last year to HK\$3,774,000 for the Current Period. The significant drop in turnover was a result of discontinuation of manufacturing some traditional power supply components which have a higher raw material content thus higher selling value but lower margin and switch to manufacture newly developed energy saving switching power supply components which have a lower raw material content but higher margin. Management believes that this product switch will reduce the division's exposure to raw material costs increase and help to improve the division's profitability in the future.

As the world is more and more aware of the global warming and energy conservation problem, developing energy saving power supply components will be the division's future business direction. The market for power supply components is a growing market because these components are needed for all electronic and electrical products. The demand for energy saving power supply solution will grow even faster. Management is cautiously optimistic that the division's business will keep up with the market growth.

Equity attributable to the Company's shareholders as at 30 June 2007 amounted to HK\$165,134,000 or HK\$0.9 per share (31 December 2006: HK\$0.9 per share).

REVIEW OF OPERATIONS AND FUTURE PROSPECTS (continued)

As part of the Group's continuing efforts to diversify its business into new areas of high-growth potential, on 20 August 2007, the Group entered into an agreement to acquire a 60% interest and to take up a call option to acquire the remaining 39.61% interest in Greenheart Resources Holdings Limited ("Greenheart"), a natural forest concession owner and operator in Suriname, South America, which holds a forest concession of approximately 126,825 hectares and cutting rights of approximately 51,140 hectares. The principal business activities of Greenheart include (i) log harvesting, (ii) lumber processing and (iii) marketing and sales of logs and lumber products. Completion of the acquisition is scheduled to take place in October 2007. The Group believes that the business prospects and growth potential of the timber market, which will be driven by strong demand from countries such as China, and diminishing supply due to deforestation in the past and stricter environmental constraints and requirements now practiced by an increasing number of countries in the world, will offer a very good business opportunity to the Group.

FINANCIAL REVIEW

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has continued to adopt prudent financial policies.

The Group's current assets and current liabilities as at 30 June 2007 were HK\$182,199,000 and HK\$70,108,000, respectively (31 December 2006: HK\$168,999,000 and HK\$83,759,000 respectively). As at 30 June 2007, the Group had cash and bank deposits of approximately HK\$62,879,000 (31 December 2006: HK\$35,569,000), and short-term bank borrowings of HK\$41,724,000 (31 December 2006: HK\$53,880,000).

As at 30 June 2007, the Group's gearing ratio, which was calculated on the basis of bank borrowings and other loan to shareholders' funds, was 26.9% (31 December 2006: 39.8%).

FINANCIAL REVIEW (continued)

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE (continued)

The Group has limited exposure to foreign exchange fluctuations risks as most of its sales are denominated in Hong Kong dollars, United States dollars and Renminbi, being the same currencies in which the Group's costs and expenses are denominated. The Directors considered that the recent appreciation of Renminbi may have negative but immaterial impact to the Group. During the Current Period, the Group did not use any financial instruments for hedging purposes and the Group did not have any hedging instruments outstanding as at 30 June 2007.

On 26 June 2007, the Company raised HK\$27,000,000 by issuing 30,000,000 new shares at HK\$0.90 per Share for cash to provide additional working capital.

INTERIM DIVIDEND

The Board of the Company does not recommend the payment of an interim dividend in respect of the Current Period (2006: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2007, the Group employed approximately 1,000 employees, out of which approximately 900 were production workers in China. In addition to the provision of annual bonuses, medical insurance and in-house and external training programs, discretionary bonuses and share options are also available to employees based on their individual performance. The remuneration policy and packages of the Group are reviewed from time to time.

PLEDGE OF ASSETS

As at 30 June 2007, the Group pledged bank deposits in the amount of HK\$13,720,000 (31 December 2006: HK\$22,479,000) and charged the Group's equity holding in a subsidiary to banks and an authorized financial institution as securities for banking facilities and other loan provided to certain subsidiaries.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2007, the interests and short positions of the directors (the "Directors"), chief executive and their associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities & Futures Ordinance ("SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors, chief executive and their associates are taken or deemed to have under such provisions of the SFO) or are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are otherwise required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to be notified to the Company and the Stock Exchange were as follows:

A. Directors' interests in the shares of the Company

Name of Director	Capacity/ Nature of interests	Number of shares held (long position)	Percentage of holding (%)
Hui Tung Wah, Samuel	Personal interest	280,000	0.15
	Family interest (Note 1)	75,000	0.04
		355,000	0.19
Au Hoi Tsun, Peter	Personal interest (Note 2)	517,500	0.28

Notes:

- These 75,000 shares were jointly owned by Mr. Hui Tung Wah, Samuel and his spouse.
- Mr. Au Hoi Tsun, Peter resigned as an executive director on 9 July 2007.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES (continued)

The interests of the Directors in the share options of the Company and its associated corporations are separately disclosed under the heading "Share Option Scheme".

Save as disclosed above, as at 30 June 2007, none of the Directors, chief executive of the Company and their associates had any personal, family, corporate or other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register of directors' and chief executive's interests and short positions, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, as otherwise notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Apart from the foregoing and those disclosed in "Share Option Scheme" below, at no time during the Current Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or any of their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, and no Directors or chief executive of the Company or their respective spouses or children under 18 years of age had been granted any right to subscribe for equity or debt securities of the Company nor exercised any such right.

SHARE OPTION SCHEME

A. The Company

The share option scheme (the "Scheme") of the Company was adopted by the Company at the special general meeting held on 22 March 2002 in compliance with Chapter 17 of the Listing Rules. There were no changes in any terms of the Scheme during the Current Period. The detailed terms of the Scheme were disclosed in the 2006 annual report of the Company. The following shows movements in the Company's share options during the Current Period:

Name or category of participant	At 1 Jan 2007	Date of grant of share options	Granted	Exercised	Lapsed	Total	Exercise price <i>HK\$</i>	Exercise period
			during the Current Period	during the Current Period	during the Current Period	balance at 30 Jun 2007		
Directors								
Wong Kin Chi	70,000	14/06/2005	-	-	-	70,000	0.80	15/06/2005- 14/06/2010
	-	16/04/2007	30,000	-	-	30,000	0.46	17/04/2007- 16/04/2012
	-	14/06/2007	50,000	-	-	50,000	1.36	15/06/2007- 14/06/2012
Sung Yan Wai, Petrus	240,000	14/07/2003	-	-	-	240,000	0.95	15/07/2003- 14/07/2008
	250,000	14/06/2005	-	-	-	250,000	0.80	15/06/2005- 14/06/2010
	-	16/04/2007	300,000	-	-	300,000	0.46	17/04/2007- 16/04/2012
	-	14/06/2007	1,200,000	-	-	1,200,000	1.36	15/06/2007- 14/06/2012
Hung Tung Wah, Samuel	800,000	14/06/2005	-	-	-	800,000	0.80	15/06/2005- 14/06/2010
	-	16/04/2007	50,000	-	-	50,000	0.46	17/04/2007- 16/04/2012
	-	14/06/2007	300,000	-	-	300,000	1.36	15/06/2007- 14/06/2012

SHARE OPTION SCHEME (continued)**A. The Company (continued)**

Name or category of participant	At 1 Jan 2007	Date of grant of share options	Granted	Exercised	Lapsed	Total	Exercise price	Exercise period
			during the Current Period	during the Current Period	during the Current Period	balance at 30 Jun 2007		
Directors (continued)								
Wong Che Keung, Richard	72,000	14/07/2003	-	-	-	72,000	0.95	15/07/2003- 14/07/2008
	70,000	14/06/2005	-	-	-	70,000	0.80	15/06/2005- 14/06/2010
	-	16/04/2007	30,000	-	-	30,000	0.46	17/04/2007- 16/04/2012
	-	14/06/2007	50,000	-	-	50,000	1.36	15/06/2007- 14/06/2012
Tong Yee Yung, Joseph	72,000	14/07/2003	-	-	-	72,000	0.95	15/07/2003- 14/07/2008
	70,000	14/06/2005	-	-	-	70,000	0.80	15/06/2005- 14/06/2010
	-	16/04/2007	30,000	-	-	30,000	0.46	17/04/2007- 16/04/2012
	-	14/06/2007	50,000	-	-	50,000	1.36	15/06/2007- 14/06/2012
Sung Kai Hing, Simon (Note 1)	800,000	14/06/2005	-	-	(800,000)	-	0.80	15/06/2005- 14/06/2010
Au Hoi Tsun, Peter (Note 2)	540,000	14/07/2003	-	-	-	540,000	0.95	15/07/2003- 14/07/2008
	300,000	14/06/2005	-	-	-	300,000	0.80	15/06/2005- 14/06/2010
	-	16/04/2007	300,000	-	-	300,000	0.46	17/04/2007- 16/04/2012
	-	14/06/2007	700,000	-	-	700,000	1.36	15/06/2007- 14/06/2012
Sub-Total:	3,284,000		3,090,000	-	(800,000)	5,574,000		

SHARE OPTION SCHEME (continued)**A. The Company (continued)**

Name or category of participant	At 1 Jan 2007	Date of grant of share options	Granted during the Current Period	Exercised during the Current Period	Lapsed during the Current Period	Total balance at 30 Jun 2007	Exercise price <i>HK\$</i>	Exercise period
Others								
Employees								
(other than Directors)	240,000	14/07/2003	-	(60,000)	-	180,000	0.95	15/07/2003-14/07/2008
	520,000	14/06/2005	-	(320,000)	(150,000)	50,000	0.80	15/06/2005-14/06/2010
	-	16/04/2007	430,000	(400,000)	(30,000)	-	0.46	17/04/2007-16/04/2012
	-	14/06/2007	1,570,000	(520,000)	-	1,050,000	1.36	15/06/2007-14/06/2012
Other participants								
	180,000	14/07/2003	-	-	-	180,000	0.95	15/07/2003-14/07/2008
	50,000	14/06/2005	-	-	-	50,000	0.80	15/06/2005-14/06/2010
		16/04/2007	300,000	-	-	300,000	0.46	17/04/2007-16/04/2012
		14/06/2007	4,200,000	-	-	4,200,000	1.36	15/06/2007-14/06/2012
Total:	4,274,000		9,590,000	(1,300,000)	(980,000)	11,584,000		

Notes:

- Mr. Sung Kai Hing, Simon resigned as an executive director on 11 January 2007 and his share options were lapsed on 12 February 2007.
- Mr. Au Hoi Tsun, Peter resigned as an executive director on 9 July 2007.

SHARE OPTION SCHEME (continued)**B. Associated Corporation**

At the special general meeting held on 20 May 2004, the Company approved Omnitech Holdings Limited ("OHL"), a 77.04% owned subsidiary of the Company, to adopt a new share option scheme (the "New OHL Scheme") in compliance with Chapter 17 of the Listing Rules and to terminate the then existing share option scheme. Details of the terms of the New OHL Scheme were disclosed in the 2005 annual report of OHL. The following shows movement in OHL's share options under the New OHL Scheme during the Current Period:

Name of Director	At 1 Jan 2007	Date of grant of share options	Exercise price per share of the OHL	Exercise period	Total balance at 30 June 2007
Au Hoi Tsun, Peter	200,000	18/05/2005	AUD0.069	18/05/2005 – 18/05/2008	200,000
Sung Yan Wai, Petrus	75,000	18/05/2005	AUD0.069	18/05/2005 – 18/05/2008	75,000
Total	275,000				275,000

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES

As at 30 June 2007, so far as is known to any Director or chief executive of the Company, other than the interests disclosed in the section headed "Directors' Interests and Short Positions in Shares" and "Directors' Rights to Acquire Shares" above, the following interests and short positions of 5% or more in the shares and underlying shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Ordinary Shares of HK\$0.01 each of the Company

Name of Shareholder	Capacity/ Nature of interests	Number of shares held (long position)	Percentage of holding (%)
Planet Adventure Limited	Beneficial owner	9,300,000	5.12
Huen Wing Ming, Patrick	Corporate (Note)	9,450,000	5.20

Note: Planet Adventure Limited and Patova International Limited were wholly owned by Mr. Huen Wing Ming, Patrick who was deemed to be interested in 9,300,000 shares and 150,000 shares of the Company held by Planet Adventure Limited and Patova International Limited respectively under the SFO.

Save as disclosed above, as at 30 June 2007, the Directors are not aware of any other persons who have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

AUDIT COMMITTEE

The Audit Committee comprising the three independent non-executive directors has discussed the internal controls and financial reporting matters with management and reviewed the unaudited consolidated financial statements of the Group for the Current Period in conjunction with the Auditors.

CODE ON CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the Current Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the "Model Code") for Securities Transactions by Directors as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. The Company has made specific enquiry of all directors regarding any non-compliance with the Model Code during the Current Period, and they all confirmed that they have fully complied with the required standards set out in the Model Code.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed shares during the Current Period.

By Order of the Board
Sung Yan Wai, Petrus
Executive Director

Hong Kong, 21 September 2007

INDEPENDENT REVIEW REPORT ON INTERIM FINANCIAL INFORMATION**MOORE STEPHENS**

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師**TO THE BOARD OF DIRECTORS OF OMNICORP LIMITED***(Incorporated in Bermuda with limited liability)***INTRODUCTION**

We have reviewed the interim financial information which comprise the condensed consolidated balance sheet of Omnicorp Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") as of 30 June 2007 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of other explanatory notes. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Financial Reporting Standards.

Moore Stephens*Certified Public Accountants*

Hong Kong, 21 September 2007

CONDENSED CONSOLIDATED INCOME STATEMENT

Six months ended 30 June

	Notes	2007 (unaudited) HK\$'000	2006 (unaudited) HK\$'000 (restated)
CONTINUING OPERATIONS			
Turnover	2	59,283	100,886
Cost of sales		(49,825)	(90,902)
Gross profit		9,458	9,984
Other revenue		3,641	774
Distribution costs		(3)	(8)
Administrative expenses		(10,982)	(14,464)
Other operating expenses		(3,460)	(875)
LOSS FROM OPERATING ACTIVITIES	3	(1,346)	(4,589)
Finance costs	4	(2,447)	(5,180)
Share of results of associates		37	2
LOSS BEFORE TAXATION		(3,756)	(9,767)
Taxation	5	(11)	(11)
LOSS FOR THE CURRENT PERIOD FROM CONTINUING OPERATIONS		(3,767)	(9,778)
DISCONTINUED OPERATIONS			
Profit for the Current Period from discontinued operations	6	-	13,403
		(3,767)	3,625
ATTRIBUTABLE TO:			
Equity holders of the Company		(3,780)	(3,351)
Minority interests		13	6,976
		(3,767)	3,625
LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
	7		
Basic			
– Continuing operations		(2.50) cents	(6.62) cents
– Discontinued operations		-	4.39 cents
		(2.50) cents	(2.23) cents
Diluted			
– Continuing operations		N/A	N/A
– Discontinued operations		N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	30 June 2007 (unaudited) HK\$'000	31 December 2006 (audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		10,400	12,312
Investment property		9,070	9,070
Long term investments	8	10,156	10,000
Interests in associates	9	60,170	59,717
		89,796	91,099
CURRENT ASSETS			
Inventories		56,290	54,872
Trade and other receivables	10	61,398	61,987
Prepayments and deposits		1,189	1,324
Listed investments	11	443	15,247
Cash and bank balances	13	62,879	35,569
		182,199	168,999
CURRENT LIABILITIES			
Trade and other payables	12	26,121	27,721
Interest bearing bank borrowings	13	41,724	53,880
Other loan payables	14	2,000	–
Deposits received		263	1,888
Current tax payable		–	270
		70,108	83,759
NET CURRENT ASSETS		112,091	85,240

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	<i>Notes</i>	30 June 2007 (unaudited) HK\$'000	31 December 2006 (audited) HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		201,887	176,339
NON-CURRENT LIABILITIES			
Interest bearing bank borrowings	13	676	1,385
Deferred tax liabilities		17	17
		693	1,402
		201,194	174,937
EQUITY ATTRIBUTABLE TO COMPANY'S SHAREHOLDERS			
Share capital	15	1,817	1,504
Reserves	16	163,317	137,383
		165,134	138,887
MINORITY INTERESTS		36,060	36,050
		201,194	174,937

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Six months ended 30 June

	2007 (unaudited) HK\$'000	2006 (unaudited) HK\$'000 (restated)
Net cash used in operating activities	(6,129)	(17,579)
Net cash generated from investing activities	25,598	3,385
Net cash generated from financing activities	18,406	1,793
Increase/(decrease) in cash and cash equivalents	37,875	(12,401)
Cash and cash equivalents at 1 January	6,973	38,314
Effect of foreign exchange rate changes	(14)	(229)
Cash and cash equivalents at 30 June	44,834	25,684
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	62,879	27,270
Pledged time deposits	(13,720)	(22,374)
Bank overdrafts	(4,325)	(8,242)
Cash attributable to discontinued operations	-	29,030
	44,834	25,684

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June

	Attributable to equity holders of the Company										
	Share capital	Share premium	Contributed surplus	Exchange fluctuation reserve	Enterprises development fund	Reserve fund	Employee compensation reserve	Accumulated losses	Sub-total	Minority interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
31 December 2006 (audited) and 1 January 2007	1,504	116,230	83,274	9,232	-	-	523	(71,876)	138,887	36,050	174,937
Currency translation differences	-	-	-	(11)	-	-	-	-	(11)	(3)	(14)
Loss for the Current Period	-	-	-	-	-	-	-	(3,780)	(3,780)	13	(3,767)
Issue of ordinary shares	1,504	116,230	83,274	9,221	-	-	523	(75,656)	135,096	36,060	171,156
Share issue expenses	313	27,891	-	-	-	-	-	-	28,204	-	28,204
Share options granted	-	(725)	-	-	-	-	-	-	(725)	-	(725)
Share options granted	-	-	-	-	-	-	2,559	-	2,559	-	2,559
Share options lapsed	-	-	-	-	-	-	(515)	515	-	-	-
30 June 2007 (unaudited)	1,817	143,396	83,274	9,221	-	-	2,567	(75,141)	165,134	36,060	201,194
31 December 2005 (audited) and 1 January 2006	1,504	116,230	83,274	10,697	(86)	(118)	1,015	(11,132)	201,384	74,084	275,468
Currency translation differences	-	-	-	(107)	-	-	-	-	(107)	(119)	(226)
Loss for the Current Period	-	-	-	-	-	-	-	(3,351)	(3,351)	6,976	3,625
Transfer	-	-	-	-	(74)	-	-	74	-	-	-
Movement for the Current Period	-	-	-	-	154	-	-	-	154	-	154
30 June 2006 (unaudited)	1,504	116,230	83,274	10,590	(6)	(118)	1,015	(14,409)	198,080	80,941	279,021

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2007

1. Basis of Preparation and Significant Accounting Policies

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2007 (the "Current Period") have 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 the applicable disclosure requirements of Appendix 16 to Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial statements are consistent with those used in the 2006 annual financial statements except for the adoption of the following new standards, amendments to standards and interpretations issued by the HKICPA which are effective for the annual periods beginning 1 January 2007.

1. Basis of Preparation and Significant Accounting Policies (continued)

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of these standards, amendments to standards and interpretations has had no material effect on the Group's results and financial position for the current or prior periods.

The condensed consolidated interim financial statements should be read in conjunction with the 2006 annual financial statements.

2. Turnover, Revenue and Segment Information

An analysis of the Group's turnover/revenue and results for the Current Period by business segments and geographical areas is as follows:

	Turnover/Revenue		Contribution to operating profit/(loss)	
	2007 (unaudited) HK\$'000	2006 (unaudited) HK\$'000 (restated)	2007 (unaudited) HK\$'000	2006 (unaudited) HK\$'000 (restated)
By activity				
Continuing operations				
Electronic components and products	58,494	98,692	3,774	3,929
Property investments	789	789	560	551
Building materials and sundry products	-	1,405	(538)	(157)
	59,283	100,886	3,796	4,323
<i>Discontinued operations</i>				
Home furniture	-	139,062	-	15,598
Smart card technology	-	1,210	-	(2,200)
	-	140,272	-	13,398
Interest and other income				
- Continuing operations			3,641	774
- Discontinued operations			-	771
Unallocated corporate expenses				
- Continuing operations			(8,783)	(9,724)
- Discontinued operations			-	-
Share of results of associates				
- Continuing operations			37	2
- Discontinued operations			-	-
Finance costs				
- Continuing operations			(2,447)	(5,180)
- Discontinued operations			-	(692)
Taxation				
- Continuing operations			(11)	(11)
- Discontinued operations			-	(36)
			(3,767)	3,625

2. Turnover, Revenue and Segment Information (continued)

For the six months ended 30 June

	Turnover/Revenue		Contribution to operating profit/(loss)	
	2007 (unaudited) HK\$'000	2006 (unaudited) HK\$'000 (restated)	2007 (unaudited) HK\$'000	2006 (unaudited) HK\$'000 (restated)
By geographical area				
<i>Continuing operations</i>				
– Asia	58,030	99,995	3,716	4,287
– North America	38	853	2	2
– Europe	1,215	38	78	34
	59,283	100,886	3,796	4,323
<i>Discontinued operations</i>				
– Asia	–	140,272	–	13,398
– North America	–	–	–	–
– Europe	–	–	–	–
	–	140,272	–	13,398

3. Loss from Operating Activities

	Six months ended 30 June	
	2007	2006
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(restated)
After crediting:		
Gross rental income	789	789
Less: outgoings	(229)	(238)
Net rental income	560	551
Interest income	1,063	530
Gain on disposal of listed investments	2,492	108
and after charging:		
Bad and doubtful debts	322	–
Movements in market values of listed investments	7	2,946
Depreciation of property, plant and equipment	2,581	2,403

4. Finance Costs

	Six months ended 30 June	
	2007	2006
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(restated)
Interest and similar charges on:		
Bank loans and overdrafts wholly repayable within five years	2,447	2,655
Other loans	–	2,525
	2,447	5,180

5. Taxation

No provision for Hong Kong profits tax has been made as no assessable profit for the Current Period has been derived (2006: Nil). Taxes on income earned outside Hong Kong have been calculated at the rates of taxation prevailing in the countries in which the Group operates, based on existing law, practice and interpretation thereof.

	Six months ended 30 June	
	2007 (unaudited) HK\$'000	2006 (unaudited) HK\$'000
Current Period provision:		
Outside Hong Kong	11	11
Taxation	11	11

6. Discontinued Operations

The Group has re-presented the disclosures for prior period presented in these condensed consolidated interim financial statements relating to all operations which have been discontinued by the balance sheet date for the latest period presented. Accordingly, the discontinued operations disclosure for the prior period has been re-presented to include the operations discontinued as a result of the disposals of both Windsor Treasure Group Holdings Limited ("WTG"), which was completed in July 2006, and VFJ Technology Holdings Limited ("VFJ"), which was completed on 29 December 2006. WTG engages in home furniture business and VFJ engages in smart card technology business, both of which are separate business segments.

The discontinued operations disclosure as presented in the condensed consolidated interim financial statements for the six months ended 30 June 2006 included WTG only.

6. Discontinued Operations (continued)

The results of WTG and VFJ for the prior period are presented as follows:

	Six months ended		
	30 June 2006		
	WTG	VFJ	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(restated)
Turnover	139,062	1,210	140,272
Other income	733	38	771
Expenses	(123,464)	(3,448)	(126,912)
Finance costs	(481)	(211)	(692)
<hr/>			
Profit/(loss) before tax from the discontinued operations	15,850	(2,411)	13,439
Taxation	(36)	–	(36)
<hr/>			
Profit/(loss) for the period from the discontinued operations	15,814	(2,411)	13,403

The net cash flows incurred by WTG and VFJ for the prior period are as follows:

	Six months ended		
	30 June 2006		
	WTG	VFJ	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
			(restated)
Net cash used in operating activities	(5,963)	(1,324)	(7,287)
Net cash generated from/(used in) investing activities	32	(6)	26
Net cash generated from financing activities	–	1,568	1,568
<hr/>			
Total net cash (outflow)/inflow from the discontinued operations	(5,931)	238	(5,693)

7. Loss Per Share

The calculations of basic loss per share are based on:

	Six months ended 30 June	
	2007	2006
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
		(restated)
Net (loss)/profit attributable to equity holders of the Company		
– Continuing operations	(3,780)	(9,956)
– Discontinued operations	–	6,605
	(3,780)	(3,351)
Weighted average number of ordinary shares in issue during the Current Period	151,387,108	150,439,152

No diluted loss per share is presented for the six months ended 30 June 2007 and 2006 as the exercise of share options outstanding would be anti-dilutive.

8. Long Term Investments

	30 June	31 December
	2007	2006
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Unlisted equity investments, at cost	10,156	10,000

9. Interests in Associates

Information relating to the Group's associates, mainly PVP Limited and its subsidiaries, as required by HKAS 28 "Accounting for investments in associates" is as follows:

	Six months ended 30 June	
	2007	2006
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Turnover	963	451
Profit for the Current Period	100	6
	30 June	31 December
	2007	2006
	(unaudited)	(audited)
	HK\$'000	HK\$'000
Non-current assets	159,900	111,850
Current assets	2,795	24,809
Current liabilities	(1,033)	(79)
Non-current liabilities	-	-

10. Trade and Other Receivables

	30 June		31 December
	2007	2006	2006
	(unaudited)	(audited)	(audited)
	HK\$'000	HK\$'000	HK\$'000
Current	13,886	43,981	43,981
One to three months	34,317	15,529	15,529
More than three months	13,195	2,477	2,477
	61,398	61,987	61,987

The Group allows an average credit period of 30 to 45 days to its trade customers.

11. Listed Investments

	30 June 2007 (unaudited) HK\$'000	31 December 2006 (audited) HK\$'000
Listed equity investments, at market value:		
Hong Kong	–	975
Overseas	443	14,272
	443	15,247

12. Trade and Other Payables

	30 June 2007 (unaudited) HK\$'000	31 December 2006 (audited) HK\$'000
Current	8,082	11,671
One to three months	12,120	7,400
More than three months	5,919	8,650
	26,121	27,721

13. Interest Bearing Bank Borrowings

	30 June 2007 (unaudited) HK\$'000	31 December 2006 (audited) HK\$'000
Repayable on demand or within one year:		
Bank overdrafts – secured	4,325	6,117
Bank loan – secured	37,399	47,763
	41,724	53,880
Repayable in the second year		
Bank loans – secured	676	1,284
Repayable in the third to fifth years, inclusive		
Bank loans – secured	-	101
	676	1,385
	42,400	55,265

The above bank borrowings are secured by:

- (a) charges over time deposits of approximately HK\$13,720,000 (31 December 2006: HK\$22,479,000)
- (b) against guarantees issued by certain subsidiaries and a Director of these subsidiaries.

14. Other Loan Payables

The other loan payables are loans from an authorized financial institution which are secured by a mortgage over the entire issued share capital of a subsidiary.

15. Share Capital

Ordinary shares

	Number of ordinary shares of HK\$0.01 each	Amount HK\$'000
Authorised:		
1 January 2007 and		
30 June 2007	15,000,000,000	150,000
Issued and fully paid:		
1 January 2007	150,439,152	1,504
Issue of ordinary shares	31,300,000	313
30 June 2007	181,739,152	1,817

On 26 June 2007, the Company raised approximately HK\$26,200,000 (net of expenses) by issuing 30,000,000 new ordinary shares at HK\$0.90 per share for cash to provide general working capital.

During the Current Period, 1,300,000 share options pursuant to the Company's share option scheme were exercised resulting in the issue of 1,300,000 new ordinary shares for a total cash consideration of approximately HK\$1,204,000.

16. Reserves

	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Enterprises development fund HK\$'000	Reserve fund HK\$'000	Employee compensation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
31 December 2006 (audited) and								
1 January 2007	116,230	83,274	9,232	-	-	523	(71,876)	137,383
Currency translation differences	-	-	(11)	-	-	-	-	(11)
Loss for the Current Period	-	-	-	-	-	-	(3,780)	(3,780)
	116,230	83,274	9,221	-	-	523	(75,656)	133,592
Issue of ordinary shares	27,891	-	-	-	-	-	-	27,891
Share issue expenses	(725)	-	-	-	-	-	-	(725)
Share options granted	-	-	-	-	-	2,559	-	2,559
Share options lapsed	-	-	-	-	-	(515)	515	-
30 June 2007 (unaudited)	143,396	83,274	9,221	-	-	2,567	(75,141)	163,317
31 December 2005 (audited) and								
1 January 2006	116,230	83,274	10,697	(86)	(118)	1,015	(11,132)	199,880
Currency translation differences	-	-	(107)	-	-	-	-	(107)
Loss for the Current Period	-	-	-	-	-	-	(3,351)	(3,351)
Transfer	-	-	-	(74)	-	-	74	-
Movement for the Current Period	-	-	-	154	-	-	-	154
30 June 2006 (unaudited)	116,230	83,274	10,590	(6)	(118)	1,015	(14,409)	196,576

17. Commitments

	30 June 2007 (unaudited) HK\$'000 Continuing operations	30 June 2007 (unaudited) HK\$'000 Discontinued operations	31 December 2006 (audited) HK\$'000 Continuing operations	31 December 2006 (audited) HK\$'000 Discontinued operations
Total minimum commitments under non-cancellable operating leases for land and buildings due: As lessee				
Within one year	2,851	-	2,301	-
In the second to fifth years, inclusive	4,548	-	4,019	-
After five years	-	-	-	-
	7,399	-	6,320	-
As lessor				
Within one year	1,706	-	1,577	-
In the second to fifth years, inclusive	1,279	-	1,972	-
	2,985	-	3,549	-

18. Related Party Transactions

	Six months ended 30 June		Six months ended 30 June	
	2007	2007	2006	2006
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Interest income from associates	416	-	-	-

Remuneration of key management personnel, including amounts paid to the Company's Directors and highest paid employees is as follows:

Short-term employee benefits	2,829	-	2,667	-
Post-employment benefits	21	-	18	-
Equity compensation benefits	864	-	-	-

19. Subsequent Events

- Subsequent to the balance sheet date, on 2 August 2007 the Company entered into a Placing Agreement with the Placing Agent, Kingston Securities Limited to place up to an aggregate of 70,000,000 new shares to independent third parties at HK\$3.00 each on a best-effort basis, subject to the passing by shareholders at a special general meeting of an ordinary resolution of the Company.
- On 20 August 2007, the Group entered into an agreement with the shareholders of Greenheart Resources Holdings Limited ("Greenheart") whereby the Group agreed to acquire a 60% interest in Greenheart at a total consideration of HK\$375,000,000 to be satisfied partially in cash and partially by the issue of consideration shares and convertible bonds by the Company and to take up a call option to the Group to acquire the remaining 39.61% interest in Greenheart not already owned by the Group. The Acquisition is subject to the passing by shareholders at a special general meeting of an ordinary resolution of the Company.

20. New HKFRSs Not Yet Effective

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective:

HKAS 23 (Revised)	Borrowing Costs *
HKFRS 8	Operating Segments *
HK(IFRIC)-Int 11	HKFRS 2 - Group and Treasury Share Transactions #
HK(IFRIC)-Int 12	Services Concession Arrangements @

* Effective for annual periods beginning on or after 1 January 2009

Effective for annual periods beginning on or after 1 March 2007

@ Effective for annual periods beginning on or after 1 January 2008

The Group has commenced assessing the potential impact of those new HKFRSs but is not yet in a position to determine whether they would have a significant impact on how its results of operations and financial position are presented. Those new HKFRSs may result in changes in future as to how the results of operations and financial position are presented.