BEP INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 2326)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2010

FINAL RESULTS

The Board of Directors (the "Board") of BEP International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010 together with comparative figures as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2010

	Notes	**2010** **HK$'000**	2009 HK$'000
Continuing operations			
Turnover	3	**38,685**	5,977
Cost of sales		**(35,434)**	(5,695)
Gross profit		**3,251**	282
Other income		**483**	2
Selling and distribution costs		**(2)**	–
Administrative expenses		**(9,303)**	(12,900)
Finance costs	4	**(1,967)**	(1,075)
Gain on winding-up subsidiary		**2,142**	–
Loss before taxation	5	**(5,396)**	(13,691)
Taxation	6	**(129)**	(22)
Loss for the year from continuing operations		**(5,525)**	(13,713)
Discontinued operation			
Loss for the year from discontinued operation	7	**–**	(23,216)
Loss for the year		**(5,525)**	(36,929)
Loss for the year attributable to:			
Owners of the Company		**(5,546)**	(36,929)
Minority interests		**21**	–
		(5,525)	(36,929)
		HK cent	*HK cent*
Loss per share – Basic	10		
From continuing and discontinued operations		**(0.11)**	(0.76)
From continuing operations		**(0.11)**	(0.28)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	2010 HK$'000	2009 HK$'000
Loss for the year	**(5,525)**	(36,929)
Other comprehensive income for the year:		
Exchange differences arising on translation of foreign operations	**12**	2,161
Release of translation reserve upon deconsolidation of a subsidiary	**–**	(14,575)
	12	(12,414)
Total comprehensive expenses for the year	**(5,513)**	(49,343)
Total comprehensive expenses for the year attributable to:		
Owners of the Company	**(5,534)**	(49,343)
Minority interests	**21**	–
	(5,513)	(49,343)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2010

	Notes	**2010** **HK$'000**	2009 HK$'000
Non-current assets			
Property, plant and equipment		**1,064**	289
Deposits paid for property, plant and equipment		**310**	–
		1,374	289
Current assets			
Inventories		**439**	–
Trade and other receivables	11	**20,174**	3,527
Bank balances and cash		**6,102**	167
		26,715	3,694
Current liabilities			
Trade and other payables	12	**18,388**	7,302
Amount due to a subsidiary under liquidation		**–**	2,222
Obligations under a finance lease		**–**	111
Tax payable		**31**	–
		18,419	9,635
Net current assets (liabilities)		**8,296**	(5,941)
Total assets less current liabilities		**9,670**	(5,652)
Non-current liabilities			
Amount due to ultimate holding company		**–**	11,651
Other loan		**–**	4,535
Amount due to immediate holding company		**32,208**	–
Obligations under a finance lease		**–**	155
Deferred tax liabilities		**120**	22
		32,328	16,363
Net liabilities		**(22,658)**	(22,015)
Capital and reserves			
Share capital		**2,426**	2,426
Reserves		**(25,105)**	(24,441)
Capital deficiency attributable to owners of the Company		**(22,679)**	(22,015)
Minority interests		**21**	–
Deficiency of shareholders' equity		**(22,658)**	(22,015)

Notes:

1. **BASIS OF PREPARATION**

The announcement has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern basis

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in the light of the fact that the Group incurred a loss of HK$5,525,000 during the year ended 31 March 2010 and, as of that date, the Group's total liabilities exceeded its total assets by HK$22,658,000. The directors of the Company have taken the following actions to improve the liquidity position of the Group:

(i) Long Channel Investments Limited ("Long Channel") has confirmed to the Company that Long Channel would provide the Group with full financial support for the continual business operation of the Company and would not demand repayment of its loans amounted to HK$32,208,000 unless the Group is financially able to do so. On 1 June 2010, the Company entered into another facility agreement with Long Channel for a loan facility in an aggregate principal amount up to HK$25,000,000 to finance the Group's operations. Such loan is unsecured, interest bearing at 1% per annum and repayable after the expiry of 18 months from the date of facility agreement or any other date as agreed by Long Channel and the Company in writing. The directors of the Company consider that the Group has sufficient cash flow to maintain and develop the existing business and new operation of the Group.

(ii) The Group currently maintains a business mix comprising three operating segments. The Group has demonstrated a growth in sales for the operating segment of sale of home electrical appliances, electronic products and related plastic injection components. The Group has also expanded its business scope to sourcing and sale of computers and related products; and distribution and sale of electronic consumer products in the People's Republic of China ("PRC").

The directors of the Company are of the view that the businesses of the Group are growing in a healthy pace and expect that the Group will achieve growth in turnover, improve its financial performance and liquidity in the coming years.

Based on the factors described above, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements on the going concern basis.

Apart from above, the directors of the Company are looking for various business alternatives to broaden its business scope and sources of income by taking business opportunities to diversify into other business through investment or business ventures. By taking the above procedures, the directors of the Company are of the view that the resumption of trading of the shares of the Company will be succeeded in the third stage of delisting procedures.

Subsidiaries deconsolidated

Notwithstanding that the Group holds 100% equity interests in Bailingda Industrial (Shenzhen) Company Limited ("BEP (China)"), Better Electrical Products (HK) Company Limited ("BEP (HK)") and BEP Corporate Management Limited ("BEPCM") for the year ended 31 March 2009 and 100% equity interests in BEP Management Services Limited ("BEPMS") for the year ended 31 March 2010, these companies were no longer regarded as subsidiaries of the Group as the directors of the Company are of the opinion that the Group did not control these companies during the years.

(a) *BEP (China)*

With reference to an announcement issued by the Company on 17 October 2008, BEP (China) had continued to incur operating losses and the directors of the Company considered that it was in the interest of the Group to cease operations of BEP (China) from 20 October 2008.

Soon after the release of the announcement, the media reported widely on the cessation of operations of BEP (China). The premises of BEP (China) were sealed by 深圳寶安區人民法院 (the "Baoan People's Court") with orders issued on 26 October 2008 and 24 November 2008 respectively. Neither the Group nor any of its employees has received the above orders from the Baoan People's Court. In this respect, the directors of the Company decided to appoint a PRC lawyer to handle the matters related thereto. According to the legal advice of this PRC lawyer, the court order issued on 26 October 2008 was to seal the premises in order to restrict entrance except authorised government officers. The court order issued on 24 November 2008 was to seal the assets inside the premises after investigation by the government officers.

Since the premises of BEP (China) had been withheld by the Baoan People's Court, the directors of the Company were unable to access its complete set of underlying books and records together with the supporting documents.

The directors of the Company are of the opinion that the Group no longer had the power to govern the financial and operating policies of BEP (China), and accordingly the Group no longer controlled BEP (China) notwithstanding that the Group holds a 100% equity interest in BEP (China). It is no longer regarded as a subsidiary of the Group since all the assets of BEP (China) have been withheld by the Baoan People's Court since 26 October 2008. The directors of the Company resolved to deconsolidate BEP (China) on 26 October 2008.

The latest management accounts available are only up to 30 September 2008. Accordingly, the results of BEP (China) have been consolidated in the consolidated financial statements of the Group up to 30 September 2008. The consolidated income statement presented a loss on deconsolidation of HK$49,677,000.

On 30 April 2009, the Baoan People's Court arranged an auction of the sealed assets of BEP (China) through 深圳市安達拍賣行有限公司, an auction company in Shenzhen. The auction was concluded at a sum of approximately RMB23,000,000 (equivalent to HK$26,077,000). On 30 November 2009, the Baoan People's Court arranged another auction of the sealed moulds and a motor vehicle of BEP (China) through 深圳市聯合拍賣有限責任公司, an auction company in Shenzhen. The auction was concluded at a sum of approximately RMB904,000 (equivalent to HK$1,026,000). The aggregate amount exceeded the amount paid by the local government to the PRC employees for settlement of salaries and compensations upon termination of employment. However, the directors of the Company have not been updated by the Baoan People's Court for the future usage of the residual amount.

The directors of the Company are of the view that the Group has no control over BEP (China) as from 26 October 2008 and will proceed to put BEP (China) under liquidation when the Group is able to do so.

(b) *BEP (HK) and BEPCM*

After cessation of operation of BEP (China) from 20 October 2008, the trading business of electrical home appliances was affected and BEP (HK) and BEPCM continued to incur losses. In March 2009, the directors of the Company considered that the losses of BEP (HK) and BEPCM were not bearable and they were in insolvency position, accordingly the directors of the Company appointed BDO Financial Services Limited to handle the liquidation of BEP (HK) and BEPCM.

Extraordinary general meetings of BEP (HK) and BEPCM were convened on 13 March 2009 in which it had been demonstrated to the satisfaction that these companies could not, by reason of its liabilities, continue their businesses and it was resolved to wind up BEP (HK) and BEPCM by way of a voluntary winding up under Section 241 of the Hong Kong Companies Ordinance. On 27 March 2009, the notice of creditors' meetings was published on The Government of the Hong Kong Special Administrative Region Gazette. In this respect, the directors of the Company are of the opinion that the control of BEP (HK) and BEPCM had been lost in March 2009. The directors of the Company resolved to deconsolidate BEP (HK) and BEPCM as at that date.

Accordingly, the results of BEP (HK) and BEPCM have been consolidated in the consolidated financial statements of the Group up to 27 March 2009. The consolidated income statement presented a gain on winding up of HK$32,707,000.

Creditors' meetings for BEP (HK) and BEPCM had been held to consider the statement of affairs. As at the date of approval of consolidated financial statements, the winding up of BEP (HK) and BEPCM are still in progress.

(c) *BEPMS*

In September 2009, the directors of the Company considered that the losses of BEPMS were not bearable and it was in insolvency position, accordingly the directors of the Company appointed BDO Financial Services Limited to handle the liquidation of BEPMS.

Extraordinary general meeting of BEPMS was convened on 22 September 2009 in which it had been demonstrated to the satisfaction that this company could not, by reason of its liabilities, continue their businesses and it was resolved to wind up BEPMS by way of a voluntary winding up under Section 241 of the Hong Kong Companies Ordinance. On 22 September 2009, the notice of appointment of liquidator was published on The Government of the Hong Kong Special Administrative Region Gazette. In this respect, the directors of the Company are of the opinion that the control of BEPMS had been lost on 22 September 2009. The directors of the Company resolved to deconsolidate BEPMS as at that date.

Accordingly, the results of BEPMS have been consolidated in the consolidated financial statements of the Group up to 22 September 2009. The consolidated income statement presented a gain on winding up of HK$2,142,000.

Creditors' meetings for BEPMS had been held to consider the statement of affairs. As at the date of approval of consolidated financial statements, the winding up of BEPMS are still in progress.

In the opinion of the directors of the Company, the Group has no material obligations or commitments in BEP (China), BEP (HK), BEPCM and BEPMS that require either adjustments to or disclosure in these consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public of Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC)* – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

* *IFRIC represents the International Financial Reporting Interpretations Committee.*

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 Operating segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see Note 3) and changes in the basis of measurement of segment profit or loss.

HKAS 23 (Revised 2007) Borrowing costs

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset.

The adoption of HKAS 23 (Revised 2007) has had no effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no adjustment is required.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[6]
HKAS 24 (Revised)	Related party disclosure[7]
HKAS 27 (Revised)	Consolidated and separate financial statements[1]
HKAS 32 (Amendment)	Classification of right issues[4]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[3]
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures of first-time adopters[5]
HKFRS 2 (Amendments)	Group cash-settled share-based payments transactions[3]
HKFRS 3 (Revised)	Business combinations[1]
HKFRS 9	Financial instruments[8]
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a minimum funding requirement[7]
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instrument[5]

1 Effective for annual periods beginning on or after 1 July 2009.
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2010.
4 Effective for annual periods beginning on or after 1 February 2010.
5 Effective for annual periods beginning on or after 1 July 2010.
6 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.
7 Effective for annual periods beginning on or after 1 January 2011.
8 Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 April 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, chief executive officer, for the purpose of allocating resources to segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. The application of HKFRS 8 has resulted in a redesignation of the Group's operating segments as compared with primary segments determined in accordance with HKAS 14. In addition, the adoption of HKFRS 8 has changed the measurement basis of segment results by excluding selling and distribution costs and reversal of claims for employees' overtime compensations.

In prior years, segment information reported externally was analysed on the basis of the location of customers provided by the Group's geographical divisions. However, information reported to the chief executive officer is more specifically focused on the Group's operating divisions.

The Group's operating segments under HKFRS 8 are therefore as follows:

1. Sale of home electrical appliances, electronic products and related plastic injection components (note i)
2. Distribution and sale of electronic consumer products (note ii)
3. Sourcing and sale of computer and related products (note iii)
4. Design, manufacture and sale of electrical home appliances (note iv)

Notes:

(i) The operating division is commenced in 2009 and the Group continues its sale of home electrical appliances and electronic products, as well as related plastic injection components, by subcontracting part of its manufacturing process.

(ii) During the year ended 31 March 2010, a subsidiary is established in the PRC to conduct the business of distribution and sale of electronic consumer imaging products.

(iii) During the year ended 31 March 2010, a subsidiary is incorporated in Hong Kong to conduct the business of sourcing and sale of computer and related products.

(iv) During the year ended 31 March 2009, the Group had ceased the operation of its manufacturing plant and discontinued the operation of design, manufacture and sale of electrical home appliances.

Information regarding the above segments is reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

For the year ended 31 March 2010

	Continuing operations			
	Sale of home electrical appliances, electronic products and related plastic injection components	**Distribution and sale of electronic consumer products**	**Sourcing and sale of computer and related products**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Revenue	**31,783**	**4,247**	**2,655**	**38,685**
Result				
Segment profit	**2,831**	**213**	**207**	**3,251**
Unallocated income				**2,625**
Unallocated expenses				**(11,272)**
Loss before taxation				**(5,396)**

For the year ended 31 March 2009

	Continuing operations	Discontinued operation	
	Sale of home electrical appliances, electronic products and related plastic injection components	Design, manufacture and sale of electrical home appliances	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue	5,977	73,829	79,806
Result			
Segment profit	282	14,661	14,943
Unallocated income	2	4,417	4,419
Unallocated expenses	(13,975)	(24,735)	(38,710)
Loss before taxation	(13,691)	(5,657)	(19,348)

Note: The accounting policies of operating segments are the same as the Group's accounting policies. Segment revenue and segment profit is based on turnover from external customers and gross profit of each segment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating segment:

At 31 March 2010

	Continuing operations			
	Sale of home electrical appliances, electronic products and related plastic injection components	**Distribution and sale of electronic consumer products**	**Sourcing and sale of computer and related products**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Assets				
Segment assets	**13,140**	**3,407**	**1,872**	**18,419**
Unallocated assets				**9,670**
Consolidated total assets				**28,089**
Liabilities				
Segment liabilities	**11,836**	**1,525**	**1,980**	**15,341**
Unallocated liabilities				**35,406**
Consolidated total liabilities				**50,747**

At 31 March 2009

	Continuing operations	Discontinued operation	
	Sale of home electrical appliances, electronic products and related plastic injection components	Design, manufacture and sale of electrical home appliances	Total
	HK$'000	*HK$'000*	*HK$'000*
Assets			
Segment assets	2,488	–	2,488
Unallocated assets			1,495
Consolidated total assets			3,983
Liabilities			
Segment liabilities	2,208	–	2,208
Unallocated liabilities			23,790
Consolidated total liabilities			25,998

Note: Segment assets and liabilities are based on inventories, trade debtors, trade deposits paid, trade creditors and trade deposits received of each segment.

Other segment information

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets and not allocated to any operating segment:

For the year ended 31 March 2010

	Continuing operations *HK$'000*
Addition to non-current asset *(note)*	**1,446**
Depreciation	**150**

For the year ended 31 March 2009

	Continuing operations *HK$'000*	Discontinued operation *HK$'000*	Total *HK$'000*
Addition to non-current assets *(note)*	15	285	300
Depreciation	115	3,592	3,707

Note: Non-current assets represented property, plant and equipment and deposits paid for property, plant and equipment.

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

For the year ended 31 March 2010

	Continuing operations *HK$'000*
Home electrical appliances, electronic products and related plastic injection components	**31,783**
Consumer imaging products	**4,247**
Computers and related products and accessories	**2,655**
	38,685

For the year ended 31 March 2009, the Group's revenue from continuing operations and discontinued operation was arisen from home electrical appliances, electronic products and related plastic injection components.

Geographical information

The Group's operations are located in the PRC and Hong Kong. The Group's revenue from continuing operations by geographical location of customers and information about its non-current assets by geographical location of the assets are detailed below:

For the year ended 31 March 2010

	Revenue *HK$'000*	**Non-current assets** *HK$'000*
Continuing operations:		
Hong Kong	**25,940**	**1,359**
PRC	**11,655**	**15**
Other Asian countries	**744**	**–**
Europe	**346**	**–**
	38,685	**1,374**

For the year ended 31 March 2009

	Revenue *HK$'000*	Non-current assets *HK$'000*
Continuing operations:		
Hong Kong	5,977	289
Discontinuing operations:		
Europe	42,470	–
North America	10,215	–
Australia and New Zealand	2,996	–
Asia	14,711	–
Other	3,437	–
	73,829	–
Total	79,806	289

Note: Non-current assets represented property, plant and equipment and deposits paid for property, plant and equipment.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2010	2009
	HK$'000	*HK$'000*
Largest customer	**7,765**	5,977
Second largest customer	**7,044**	–
Third largest customer	**6,201**	–

Note: For the year ended 31 March 2010, revenue from above customers are arisen from the business of sale of home electrical appliances, electronic products and related plastic injection components.

For the year ended 31 March 2009, since the complete set of accounting books and records of discontinued operation have been withheld by the Baoan People's Court and the liquidator, information about major customers is not determinable. As a result, the above revenue from customers is based on the contribution over 10% of the total revenue from continuing operations.

4. FINANCE COSTS

	Continuing operations		Discontinued operation		Consolidated total	
	2010	2009	2010	2009	2010	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest on other loan	**–**	235	**–**	–	**–**	235
Imputed interest on amount due to ultimate holding company and immediate holding company	**1,918**	822	**–**	298	**1,918**	1,120
Finance lease charges	**21**	13	**–**	–	**21**	13
Bank charges	**28**	5	**–**	370	**28**	375
	1,967	1,075	**–**	668	**1,967**	1,743

5. LOSS BEFORE TAXATION

	Continuing operations		Discontinued operation		Consolidated total	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before taxation has been arrived at after charging (crediting):						
Auditors' remuneration	**836**	680	**–**	4	**836**	684
Depreciation of property, plant and equipment						
– owned by the Group	**150**	–	**–**	3,592	**150**	3,592
– held under a finance lease	**–**	115	**–**	–	**–**	115
Loss on disposal of property, plant and equipment	**4**	–	**–**	2,210	**4**	2,210
Minimum lease payments under operating leases in respect of:						
– rented premises	**369**	1,272	**–**	2,392	**369**	3,664
– motor vehicle	**–**	–	**–**	48	**–**	48
Staff costs						
– directors' remuneration	**614**	1,866	**–**	–	**614**	1,866
– staff salaries and wages	**1,736**	557	**–**	20,811	**1,736**	21,368
– reversal of claims for employee's overtime compensations	**–**	–	**–**	(4,269)	**–**	(4,269)
– retirement benefits scheme contributions	**79**	13	**–**	220	**79**	233
	2,429	2,436	**–**	16,762	**2,429**	19,198
Interest income	**(1)**	–	**–**	(15)	**(1)**	(15)

6. TAXATION

	Continuing operations		Discontinued operation		Consolidated total	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
The charge comprised:						
Hong Kong Profits Tax	**(7)**	–	**–**	–	**(7)**	–
PRC Enterprise Income Tax	**(24)**	–	**–**	–	**(24)**	–
Deferred taxation	**(98)**	(22)	**–**	(589)	**(98)**	(611)
	(129)	(22)	**–**	(589)	**(129)**	(611)

Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the companies operating in Hong Kong have no assessable profits for the year ended 31 March 2009.

PRC Enterprise Income Tax is calculated at 25% of assessable profits for the year. No provision for PRC Enterprise Income Tax had been made for 2009 as the subsidiary operating in the PRC incurred tax losses for the year ended 31 March 2009 and was deconsolidated on 26 October 2008.

According to a joint circular of the Ministry of Finance and State Administration of Taxation, Cai Shui 2009 No. 1, only the profits earned by foreign-investment enterprise prior to 1 January 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Whereas, dividend distributed out of the profits generated thereafter, shall be subject to the Enterprise Income Tax at 5% or 10% and withheld by the PRC entities, pursuant to Articles 3 and 27 of the New Law and Article 91 of its Detailed Implementation Rules. No deferred tax liability on the undistributed profits earned during the year ended 31 March 2010 has been recognised as the directors of the Company consider the amount is not significant. No deferred tax liability has been recognised for the year ended 31 March 2009 as the subsidiary operating in the PRC incurred losses.

Taxation charge for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2010	2009
	HK$'000	*HK$'000*
Loss before taxation	**(5,396)**	(36,318)
Tax credit at the domestic income tax rate of 16.5% (2009: 16.5%)	**890**	5,992
Tax effect of expenses that are not deductible for taxation purposes	**(679)**	(9,327)
Tax effect of income that is not taxable for taxation purposes	**398**	5,396
Tax effect of tax losses not recognised	**(727)**	(3,629)
Utilisation of tax losses previously not recognised	**–**	812
Effect of different tax rate	**(11)**	145
Taxation charge for the year	**(129)**	(611)

7. DISCONTINUED OPERATION

BEP (China) and BEP (HK) were principally engaged in the design, manufacture and sale of electrical home appliances. Upon deconsolidation of BEP (China) and winding up of BEP (HK) during the year ended 31 March 2009, the Group has ceased these operations. Accordingly, the design, manufacture and sale of electrical home appliances operation is presented as a discontinued operation in the consolidated financial statements. The results of the design, manufacture and sale of electrical home appliances operation for the period, which have been included in the consolidated income statement, are as follows:

		2010	2009
	Notes	***HK$'000***	*HK$'000*
Turnover		–	73,829
Cost of sales		–	(59,168)
Gross profit		–	14,661
Other income		–	148
Selling and distribution costs		–	(4,369)
Administrative expenses		–	(19,698)
Reversal of claims for employees' overtime compensations	8	–	4,269
Finance costs	4	–	(668)
Loss before taxation	5	–	(5,657)
Taxation	6	–	(589)
Loss of design, manufacture and sale of home electrical appliances operation for the year		–	(6,246)
Gain on winding up of subsidiaries		–	32,707
Loss on deconsolidation of a subsidiary		–	(49,677)
		–	(23,216)

During the year ended 31 March 2009, BEP (China) and BEP (HK) used HK$7,176,000 in respect of the Group's net operating cash flows, paid HK$285,000 in respect of investing activities and paid HK$4,417,000 in respect of financing activities.

8. REVERSAL OF CLAIMS FOR EMPLOYEES' OVERTIME COMPENSATIONS

During the year ended 31 March 2008, the Group received three batches of claims from a number of employees of the Group in the PRC (the "PRC Factory Employees") in respect of the underpayment of overtime compensations to the PRC Factory Employees for the period from 1 September 2005 to 30 June 2007. The Group disagreed with the amount of overtime compensations claimed by the PRC Factory Employees and all the three batches of claims were passed to 深圳市寶安區勞動爭議仲裁委員會 (the "Arbitration Committee"). Arbitrations of the three batches of claims were made on 4 December 2007, 14 April 2008 and 30 April 2008, respectively and the arbitrated overtime compensations payable to the PRC Factory Employees, in aggregate, amounted to approximately RMB13,718,000 (equivalent to HK$15,224,000).

The Group and the PRC Factory Employees were not satisfied with the arbitrated amounts and the three batches of claims were then submitted to the Baoan People's Court. Eventually, the Group and the PRC Factory Employees reached a consent on the settlement amounts of the first and second batches of claims which were judged by the Baoan People's Court in May 2008 and July 2008, respectively. The total agreed settlement amount of claims for employees' overtime compensations for the first and second batches of claims amounted to RMB4,988,000 (equivalent to HK$5,535,000), which was about 50% of the full amount determined by the Arbitration Committee.

As at the date of approval of consolidated financial statements for the year ended 31 March 2008, the third batch of claims had not been judged and concluded by the Baoan People's Court. With reference to the outcome of the first and second batches of claims and the legal advice from the Company's PRC lawyers, the directors of the Company expected the Baoan People's Court would conclude the third batch of claims on the same settlement basis as the first and second batches of claims, and the estimated amount of the third batch of claims which would be judged and concluded by the court is RMB2,075,000 (equivalent to HK$2,303,000). In addition, a provision of RMB4,383,000 (equivalent to HK$4,864,000) had been made for the year ended 31 March 2008 in respect of potential claims for underpayment of overtime compensations to other employees in the PRC before 30 June 2007. The balance of claims for employees' overtime compensations as at 31 March 2008 was HK$12,702,000.

During the year ended 31 March 2009, the third batch of claims has been judged and concluded by the Baoan People's Court. The agreed settlement amount is RMB2,433,000 (equivalent to HK$2,765,000) and the difference with the amount accrued as at 31 March 2008 of RMB358,000 (equivalent to HK$462,000) is charged to the consolidated income statement for the year.

According to the legal advice of the Company's PRC lawyers, the Group's PRC employees can claim the underpayment of overtime compensations for a period of not more than two years from the date they make their claims to the Group. No claims of overtime compensations other than the above three batches of claims have been received by the Group, accordingly, provision in respect of potential claims for underpayment of overtime compensations to other employees in the PRC lapsed after two years the other employees have worked overtime. A reversal of HK$4,731,000 after taking into account of the amount accrued of HK$462,000 as above is credited to the consolidated income statement and is included in loss for the year from discontinued operation.

9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2010, nor has any dividend been proposed since the end of the reporting period (2009: nil).

10. LOSS PER SHARE

For continuing and discontinued operations

The calculation of basic loss per share is based on the loss for the year attributable to owners of the Company of HK$5,546,000 (2009: HK$36,929,000) and on the weighted average of 4,852,000,000 ordinary shares (2009: 4,852,000,000) in issue during the year.

From continuing operations

The calculation of basic loss per share is based on the loss for the year from continuing operations attributable to owners of the Company of HK$5,546,000 (2009: HK$13,713,000) and on the weighted average of 4,852,000,000 ordinary shares (2009: 4,852,000,000) in issue during the year.

From discontinued operation

For the year ended 31 March 2009, the basic loss per share amounted to HK$0.48 cent. The calculation of basic loss per share is based on the loss for the year from discontinued operation attributable to owners of the Company of HK$23,216,000 and on the weighted average of 4,852,000,000 ordinary shares in issued during the year.

No diluted loss per share has been presented because there is no outstanding potential ordinary shares as at 31 March 2010 and 2009.

11. TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade debtors	**17,252**	–
Trade deposits paid	**728**	2,488
Sundry debtors and prepayments	**2,194**	1,039
	20,174	3,527

The following is an aged analysis of trade debtors presented based on the invoice date at the end of the reporting period.

	2010	2009
	HK$'000	*HK$'000*
0 – 60 days	**11,622**	–
61 – 120 days	**4,745**	–
121 – 180 days	**885**	–
	17,252	–

Trade debts which were settled by letters of credit were due at sight or in accordance with the respective terms of the letters of credit normally ranging from 30 to 90 days. For other trade debts, the Group provided a credit period normally ranging from 30 to 90 days to its customers. Before accepting any new customers, the management will internally assess the credit quality of the potential customer and define appropriate credit limits. The management has assessed the credit quality of trade debtors that are neither past due nor impaired and considered no impairment is necessary in view of their goods repayment history and low default rates.

Included in the Group's trade debtors as at 31 March 2010 were debtors with aggregate carrying amount of HK$3,317,000 (2009: nil) which were past due at the end of the reporting period for which the Group had not provided for impairment loss as the Group considered that the default risk was low after assessing the past payment history of the debtors and settlement after the end of the reporting period. The Group did not hold any collateral over these balances.

The following is an aged analysis of trade debtors presented based on the invoice date at the end of the reporting period which are past due but not impaired.

	2010	2009
	HK$'000	*HK$'000*
91 – 180 days	**3,317**	–

12. TRADE AND OTHER PAYABLES

	2010	2009
	HK$'000	*HK$'000*
Trade creditors	**13,284**	–
Trade deposits received	**2,057**	2,208
Other payables and accruals	**3,047**	5,094
	18,388	7,302

The following is an aged analysis of trade creditors presented based on the invoice date at the end of the reporting period.

	2010	2009
	HK$'000	*HK$'000*
0 – 60 days	**13,284**	–

The credit period on purchases of goods is ranged from 60 to 90 days.

13. LITIGATIONS

(a) BEP (China)

Up to the date of deconsolidation, BEP (China) received claims from a number of suppliers of an aggregate amount of RMB3,368,000 (equivalent to HK$3,845,000). All claims have either been settled through court mediation or are in the court proceedings. However, as the premises of BEP (China) have been withheld by the Baoan People's Court, there is a possibility that new claims might be made against BEP (China) for which the Group has no knowledge. With the advice from a legal adviser, the directors of the Company are of the opinion that BEP (China) will be liable for its own debts and liabilities as it is a company established in the PRC with limited liability. The Group has no legal obligation to pay the alleged debts and interest. Accordingly, no provision in respect thereof has been made in the consolidated financial statements.

(b) BEP (HK)

Up to the date of deconsolidation, BEP (HK) also received claims of an aggregate amount of HK$22,252,000. As BEP (HK) has appointed a liquidator and is in the process of winding up, there is a possibility that new claims might be made against BEP (HK) for which the Group has no knowledge. As BEP (HK) is a limited liability company incorporated in Hong Kong, the directors of the Company are of the opinion that the Group has no legal obligation to pay the alleged debts and interest. Accordingly, no provision in respect thereof has been made in the consolidated financial statements.

MODIFICATION TO THE INDEPENDENT AUDITOR'S REPORT

The audit opinion for the consolidated financial statements of the Group for the year ended 31 March 2010 has been modified and is extracted as follows:

Basis for disclaimer of opinion

Scope limitation – loss on deconsolidation of a subsidiary

During the year ended 31 March 2009, the Group recorded a loss on deconsolidation of a subsidiary of HK$49,677,000 as set out in notes 2, 10 and 27 to the consolidated financial statements. As described in note 2 to the consolidated financial statements, the loss on deconsolidation of subsidiary related to the deconsolidation of Bailingda Industrial (Shenzhen) Company Limited ("BEP (China)"), a company in which the Group holds a 100% equity interest. After the directors of the Company resolved to cease the operations of BEP (China), the premises of BEP (China) and the assets and accounting books and records inside were sealed by 深圳寶安區人民法院 ("Baoan People's Court"). The directors of the Company therefore deconsolidated BEP (China) as from 26 October 2008 as they consider that the Group no longer had the power to govern the financial and operating policies of BEP (China), and accordingly control over BEP (China) was lost when the premises of BEP (China) were sealed by Baoan People's Court. However, we have been unable to inspect the court orders issued by the Baoan People's Court, and accordingly we have been unable to obtain sufficient reliable evidence to satisfy ourselves as to whether it is appropriate to deconsolidate the assets and liabilities from the consolidated financial statements.

The Group recorded a loss on deconsolidation of BEP (China) based on its unaudited balance sheet as at 30 September 2008 and unaudited income statement for the period from 1 April 2008 to 30 September 2008, which are the latest management accounts available to the directors of the Company. The loss of BEP (China) prior to deconsolidation included in the consolidated financial statements amounted to HK$28,357,000. However, as a result of the circumstances described above, the directors of the Company have been unable to provide us with the complete set of accounting books and records for BEP (China). We have therefore been unable to carry out audit procedures to obtain sufficient reliable audit evidence to satisfy ourselves as to whether the loss on deconsolidation of BEP (China) and the loss included in the consolidated financial statements up until the date of deconsolidation of BEP (China), as well as the related disclosures set out in the notes to the consolidated financial statements are free from material misstatement.

The matter described above caused us to disclaim our audit opinion on the consolidated financial statements in respect of the year ended 31 March 2009. Any adjustments that might have been found to be necessary in respect of the above would have a significant effect on the state of the Group's affairs as at 31 March 2010 and 2009 and on its loss for the years ended 31 March 2010 and 2009.

Scope limitation – gain on winding up of subsidiaries

During the year ended 31 March 2009, the Group recorded a gain on winding up of subsidiaries of HK$32,707,000 as set out in notes 2, 10 and 27 to the consolidated financial statements. As further described in note 2 to the consolidated financial statements, the gain on winding up of subsidiaries related to the voluntary winding up under Section 241 of the Hong Kong Companies Ordinance of Better Electrical Products (HK) Company Limited ("BEP (HK)") and BEP Corporate Management Limited ("BEPCM"), companies in which the Group held a 100% equity interest. A liquidator has been appointed to start the liquidation process of BEP (HK) and BEPCM, and the complete set of accounting books and records of BEP (HK) and BEPCM have been withheld by the liquidator, and accordingly the directors of the Company were unable to obtain any access to them. The directors deconsolidated BEP (HK) and BEPCM as from 27 March 2009 and recorded a gain on deconsolidation of BEP (HK) and BEPCM based on their unaudited balance sheets as at 27 March 2009 and unaudited income statements for the period from 1 April 2008 to 27 March 2009. The combined profit of BEP (HK) and BEPCM prior to deconsolidation included in the consolidated income statements for the year ended 31 March 2009 amounted to HK$22,111,000.

As a result of the circumstances described above, the directors of the Company have been unable to provide us with the complete set of accounting books and records for BEP (HK) and BEPCM. We have therefore been unable to carry out audit procedures to obtain sufficient reliable audit evidence to satisfy ourselves as to whether the gain on winding up of BEP (HK) and BEPCM, the profit included in the consolidated financial statements up until the date of deconsolidation of these companies, as well as the related disclosures set out in the notes to the consolidated financial statements are free from material misstatement. This caused us to disclaim our audit opinion on the consolidated financial statements in respect of the year ended 31 March 2009.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of the Group's affairs as at 31 March 2010 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

FINAL DIVIDEND

The Board does not recommend the payment of any dividend in respect of the year ended 31 March 2010 (2009: Nil).

BUSINESS REVIEW AND PROSPECTS

Operations Review

For the year ended 31 March 2010, the Group recorded a turnover of HK$38,685,000 (2009: HK$5,977,000) and a gross profit of HK$3,251,000 (2009: HK$282,000) for continuing operations, showing a 5.5 times and 10.5 times increase respectively when compared to last year. The loss attributable to owners of the Company amounted to HK$5,546,000 (2009: HK$36,929,000), which was significantly reduced by 85% as compared to the previous year. The significant improvement in the Group's results was primarily due to the growth and expansion of the Group's continuing businesses and the absence of loss from the discontinued operation for the year under review. A gain on winding up of a subsidiary of HK$2,142,000 (2009: nil) was recorded as a subsidiary with liabilities exceeds its assets was put under voluntary winding up during the year for continuing operations.

The Group is principally engaged in the sale of home electrical appliances, consumer electronic products and plastic injection components for electrical and electronic appliances. During the year under audit, the Group has restructured its business by subcontracting part of its manufacturing process to a factory in Shenzhen, the PRC since August 2009 to continue its manufacturing operation for home electrical appliances. By utilising such manufacturing capability, the Group has further expanded its product range covering consumer electronic products and plastic injection components for electrical and electronic appliances. For the eight months from August 2009 to March 2010, this operation generated a turnover of HK$31,783,000 (2009: HK$5,977,000) and an operating profit of HK$2,831,000 (2009: HK$282,000), representing a 4.3 times and 9 times increase respectively from that of the previous year.

Stemmed from the business network developed through the Group's home electrical appliances business and industry experience of the Group's management team, in January 2010, the Group has expanded its business scope to distribution and sale of electronic consumer products and sourcing and sale of computers and related products. As the Group's wholly owned subsidiary in the PRC is appointed as an approved distributor and an authorised sales agent for consumer imaging products and related accessories of two premium Japanese brand imaging products, the Group's electronic consumer products business is presently focusing on distribution of imaging products including digital cameras, lenses and video cameras in the PRC. The Group's computer sales operation is currently focusing on sales of netbook and notebook computers and related accessories to buyers in Asian countries. Despite the two operations have just commenced their businesses in January 2010, turnover of HK$4,247,000 and operating profit of HK$213,000 were reported for the distribution and sale of consumer imaging products whereas turnover of HK$2,655,000 and operating profit of HK$207,000 were posted for the sourcing and sale of computers and related accessories. The management believes that these business operations possess strong growth prospect and good earnings potential.

Financial Review

Liquidity, Financial Resources and Capital Structure

At 31 March 2010, the Group had current assets of HK$26,715,000 (2009: HK$3,694,000) and liquid assets being bank balances of HK$6,102,000 (2009: HK$167,000). The Group's current ratio, calculated based on current assets of HK$26,715,000 (2009: HK$3,694,000) over current liabilities of HK$18,419,000 (2009: HK$9,635,000), was at a strong ratio of 1.45 (2009: 0.38). The significant improvement in the Group's current ratio was mainly results of positive development of the Group's businesses and funding provided by the Company's immediate holding company, Long Channel.

The Group's gearing ratio, calculated on the basis of total liabilities of HK$18,539,000 (excluding amount due to immediate holding company) (2009: HK$14,347,000, excluding amount due to ultimate holding company)) divided by total assets of HK$28,089,000 (2009: HK$3,983,000) was at a moderate ratio of 0.66 (2009: 3.60). The Group's operation is mainly financed by funding provided by Long Channel.

During the year, the Group continued to implement a prudent financial management policy. In addition to internally generated cash flows, the Group has obtained support from its controlling shareholder to provide funding in meeting operational needs. The directors of the Company expect that the growth of the Group's businesses will gradually improve its liquidity and financial position in the coming year.

Foreign Currency Management

The monetary assets and liabilities and business transactions of the Group are mainly carried and conducted in Hong Kong dollars, Renminbi and US dollars. The Group maintains a prudent strategy in its foreign currency risk management, to a large extent, foreign exchange risks are minimized via balancing the foreign currency monetary assets versus the corresponding currency liabilities, and foreign currency revenues versus the corresponding currency expenditures. In light of the above, it is considered that the Group's exposure to foreign exchange risks is not significant and, therefore, no hedging measure has been undertaken by the Group.

Capital Commitment

At 31 March 2010, the Group had a capital commitment of HK$310,000 (2009: nil) in respect of the acquisition of a mould.

Prospects

Given the continuous growth of the PRC economy and the supportive policies of the PRC government in stimulating demand of home electrical appliances, and adding with the gradual recovery of the global economy from the financial tsunami, the management is optimistic about the future prospects of the Group's businesses.

The Group's sales of home electrical appliances, electronic products and related plastic injection components business is progressing well. With a view to further optimising the product mix and enhancing profitability of the operation, the Group plans to put more effort in the research and development of high value added electrical and electronic consumer products as well as to invest in moulding of new products expecting to gain popularity.

The Group's wholly owned subsidiary in the PRC which has been engaged in the distribution sales of electronic consumer products is an approved distributor and an authorised sales agent for imaging products and related accessories of two premium Japanese brand names. With a view to further expand the scale of this operation, the subsidiary is actively seeking opportunities to secure distributorship of other premium brand imaging products in the PRC market. In addition, the subsidiary is planning to launch a series of health care electrical home appliance products including air purifier and water electrolysis machine under its own brand name in the coming months. In order to reach the target customer groups within a short time and as the first phase of its marketing plan, the subsidiary is contemplating to cooperate with a well known electrical appliances retail chain stores group in the PRC for promoting and selling its products through their retail stores in Guangdong Province.

The Group is also putting tremendous effort in developing its business of sourcing and sale of computers and related products, in particular, netbook computers which popularity have been rising rapidly. The Group has reached a distribution agreement with a Taiwan based computer manufacturer in the PRC for distribution of its notebook computers and related products in a number of countries in South East Asia. In addition, the Group is also planning to develop to its own brand name of netbook computers and related products for distribution sales in Asian countries. Sale of computers and related accessories is a competitive business. In order to keep abreast of the market, the Group has been continuously devoting resources to improve its product development capability and marketing ability.

Overall speaking, the businesses of the Group are growing in a healthy pace and the management has been continuing looking for opportunities to promote the Group's businesses and to strengthen its financial position. In fact, the management is currently considering various strategic initiatives in broadening the Group's business scope and sources of income through investments or business ventures. Looking ahead, the management will continue to work towards creating long term value and a stable prospect to shareholders. The Board is optimistic that the Group will perform better financially in terms of turnover and profitability growth in the years ahead.

The shares of the Company have been suspended for trading since October 2008. The Company is in the course of preparing a revised resumption proposal to The Stock Exchange of Hong Kong Limited and shareholders will be informed of the progress as and when appropriate.

LITIGATIONS AND WINDING UP OF SUBSIDIARIES DECONSOLIDATED

BEP (China)

During the year ended 31 March 2009, BEP (China) was no longer regarded as a subsidiary of the Group as in the opinion of the Company's directors, control over BEP (China) has been lost since 26 October 2008, the date of deconsolidation. Based on information available to the Group, up to that date, BEP (China) received claims from a number of suppliers of an aggregate amount of RMB3,368,000 (equivalent to HK$3,845,000).

BEP (HK) and BEPCM

During the year ended 31 March 2009, the Company's directors had appointed a liquidator to handle the liquidation of BEP (HK) and BEPCM as it was considered that the losses of BEP (HK) and BEPCM were not bearable and they were in insolvency position. In the opinion of the Company's directors, control over BEP (HK) and BEPCM have been lost since 27 March 2009, the date of deconsolidation. Based on information available to the Group, up to that date, BEP (HK) received claims of an aggregate amount of HK$22,252,000.

BEPMS

On 22 September 2009, a subsidiary of the Company, BEPMS was put under voluntary winding up as it was in an insolvency position. BEPMS is no longer regarded as a subsidiary of the Group as in the opinion of the Company's directors, control over BEPMS has been lost. As BEPMS is in the process of voluntary winding up and that its liabilities exceeded its assets, a gain on winding up of a subsidiary of HK$2,142,000 was recorded during the year ended 31 March 2010.

Further details of the litigations and winding up matters of subsidiaries deconsolidated are disclosed in notes 1 and 13 above.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with all the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the year ended 31 March 2010.

AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the year ended 31 March 2010 had been reviewed by the Audit Committee of the Company before they were duly approved by the Board under the recommendation of the Audit Committee.

By Order of the Board
Sue Ka Lok
Chief Executive Officer

Hong Kong, 18 June 2010

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer), Mr. Li Hiu Ming and Mr. Poon Hor On as Executive Directors and Mr. Siu Hi Lam, Alick, Mr. Chan Kwong Fat, George and Mr. To Yan Ming, Edmond as Independent Non-executive Directors.