YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

Annual Report 2008-09

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. FANG Hung, Kenneth, GBS, JP
Mr. LI Kwok Wai, Frankie
Mr. Leung Tze Kuen
Mr. TIEN Pei Chun, James, GBS, JP*
Mr. CHU Chi Wai, Allan*
Mr. LAU Yuen Sun, Adrian*

* *independent non-executive director*

COMPANY SECRETARY

Mr. Lau Siu Ki, Kevin

AUDITORS

Deloitte Touche Tohmatsu

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7th Floor
On Dak Industrial Building
2-6 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

The Bank of Bermuda Limited
6 Front Street
Hamilton HM 11
Bermuda

BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
26/F., Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

Chong Hing Bank Limited
Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong

BNP Paribas
Hong Kong Branch
59-63/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

Citibank, N.A.
47th Floor, Citibank Tower
Citibank Plaza
3 Garden Road
Hong Kong

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

FANG Hung, Kenneth, GBS, JP, aged 70, is the Chairman of the Group responsible for overall corporate development and strategic direction of the Group. Mr. Fang holds a master degree in Chemical Engineering from the Massachusetts Institute of Technology. He is the Chairman of Times Ltd., a listed company in Hong Kong, the Chairman of Fang Brothers Knitting Limited and a director of a number of other private and listed companies in Hong Kong. Mr. Fang joined the Company as a Director in August 1995.

LI Kwok Wai, Frankie, aged 51, is the Chief Executive Officer of the Group responsible for planning and developing corporate strategies, corporate policies setting and overall management of the Group. Mr. Li graduated from the Hong Kong University majoring in Business Management and has substantial experience in banking and corporate finance. Mr. Li joined the Group in November 1995.

LEUNG Tze Kuen, aged 46, is the Executive Vice President of the Group responsible for the planning and developing finance strategies, direct investment management and policy setting of the Group. Mr. Leung graduated from the Chinese University of Hong Kong majoring in Accounting. He also holds a MBA degree from Monash University, Australia. He is now an associate member of CPA Australia. He has extensive experience in operational and financial management. Mr. Leung was appointed as an Executive Director of the Company in September 2007.

INDEPENDENT NON-EXECUTIVE DIRECTORS

TIEN Pei Chun, James, GBS, JP, aged 62, holds a master degree in Chemical Engineering from San Jose State University. Mr. Tien is the Chairman of Manhattan Holdings Limited, Manhattan Garments (International) Limited, Manhattan Realty Ltd and a director of a number of listed and private companies. He is also the Chairman of the Hong Kong Tourism Board, a Member of The Chinese People's Political Consultative Conference, a council member of the Trade Development Council and a member of the Commission on Strategic Development. Mr. Tien joined the Company as an independent non-executive Director in June 1997.

CHU Chi Wai, Allan, aged 57, has over 37 years' experience in the electronics industry. Mr. Chu is the founder and Chairman of A-Team Holding Limited, a company engaged in the manufacture of electronic products and investment holding. Mr. Chu joined the Company as an independent non-executive Director in August 1998.

LAU Yuen Sun, Adrian, aged 54, holds a Bachelor Degree in Commerce from the University of Windsor, Canada and has years of experience in banking and investment. Mr. Lau had worked for the National Bank of Canada as the vice president of Asia region as well as the branch manager of the Hong Kong branch from September 1994 to December 1996. He is also an independent non-executive director of Times Ltd., a listed company in Hong Kong, and had served directorships in various listed companies in Hong Kong. Mr. Lau joined the Company as an independent non-executive Director in May 2004.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

LAU Siu Ki, Kevin, aged 51, is the Company Secretary of the Group. Mr. Lau graduated from the Hong Kong Polytechnic and is a fellow member of both the Association of Chartered Certified Accountants as well as the Hong Kong Institute of Certified Public Accountants. He has extensive experience working in or with listed companies in Hong Kong. Mr. Lau joined the Company in May 2004.

SENIOR MANAGEMENT

MA Ki Chu, Angela, aged 45, is the Executive Vice President responsible for the sales and marketing logistics of the Group. Ms. Ma has extensive and indepth experience in marketing, customer service administration, factory operation and management information system. Ms. Ma joined the Group in 1997.

JIA Xiu Juan, aged 46, is the Executive Vice President and the Chief Financial Officer responsible for the financial management of the LCD and LCM factories. Ms. Jia has extensive experience in accounting and taxation. She is a qualified accountant in PRC. She graduated from Guang Dong Academy of Society of Social Science in PRC, studying the postgraduate courses and majoring in Economic Management. Ms. Jia joined the Group in 1999.

LIN Hsu Hung, aged 46, is the Executive Vice President responsible for the management and operation of the LCD and LCM factories. He has over 22 years' experience in LCD industry. Lin Hsu Hung joined the Group in 2002.

WAN Wai Tak, aged 57, is the Senior Vice President responsible for global marketing. Mr. Wan is one of the forerunners in the LCD industry in Hong Kong with over 31 years' experience in engineering and marketing of LCD products. Mr. Wan has a bachelor's degree in Electrical Engineering from National Cheng Kung University in Taiwan and a master degree in Physics from Brunel University in the United Kingdom. Mr. Wan joined the Group in 1988.

HAN Yu Zhong, aged 52, is the Vice President responsible for the sales and marketing in PRC. Mr. Han's experience has predominantly been gained in LCD manufacturing and business operations in PRC and has capitalized his experience therefrom to carry out the Group's business expansion plan in PRC. Mr. Han joined the Group in 1990.

LIN Tsui Ping, aged 44, is the Vice President responsible for the research and development operations. Ms. Lin holds a master degree in Chemistry from National Cheng Kung University in Taiwan. She specializes in product development and manufacturing process and has over 17 years' experience in the development and production of LCD products. Ms. Lin joined the Group in 2003.

LIM Bee Lay, aged 60, is the Senior Manager responsible for quality assurance on LCD and LCM products, liaising with supplier and customer on quality improvement and maintaining ISO system function. Ms. Lim has more than 23 years' experience in LCD field in Singapore and Malaysia. Ms. Lim joined the Group in 2005.

DIRECTORS AND SENIOR MANAGEMENT

HSIAO Hung Shih, aged 47, is the Senior Manager responsible for the manufacturing operations of the LCM factory. Mr. Hsiao has over 11 years' experience in the planning and management of the production of Color STN, FSTN, STN and LCM. Mr. Hsiao joined the Group in 2003.

HSIEH Wen Shu, aged 37, is the Senior Manager responsible for the quality assurance and process engineering of the LCM factory. Mr. Hsieh holds a degree in Photoelectricity from National Yulin University of Science and Technology in Taiwan. He has over 12 years' relevant experience and joined the Group in 2005.

LIN Zhi Song, aged 39, is the Senior Manager responsible for the manufacturing operations of the LCD factory. Mr. Lin has over 10 years' experience in manufacturing and production of LCD products in Taiwan, Japan and the PRC. Mr. Lin joined the Group in 2006.

LIU Xiu Zhen, aged 41, is the Senior Manager responsible for the Group's information technology, customer service centers and human resources of the LCD and LCM factories. Ms. Liu has broad experience in systematization of factory management. Ms. Liu graduated from Hua Zhong University of Science and Technology in PRC with a Bachelor's Degree in Engineering, and has 20 years' experience in factory product development and management. Ms. Liu joined the Group in 1993.

XIE Qi Lang, aged 35, is the Senior Manager for product development of LCM products. Mr. Xie has more than 12 years experience in related field in Taiwan. He graduated in Power Mechanical Engineering from National Yunlin Polytechnic Institute in Taiwan and joined the Group in 2006.

TSUI Siu Keung, aged 35, is the Senior Manager responsible for the sales and marketing in Hong Kong and overseas markets. Mr. Tsui graduated from the Hong Kong Polytechnic University with a degree in manufacturing engineering. Mr. Tsui has over 9 years' experience in customer service management, sales and marketing. Mr. Tsui joined the Group in 2000.

HUANG Wen Huei, aged 34, is the Senior Manager responsible for the sales and marketing in Japan and Taiwan markets. Mr. Huang obtained the Bachelor of Chemical Engineering in National Taiwan University, and the Master of Business Administration in FuJen Catholic University. He has over 7 years' experience in customer service and market operations of LCD and LCM products. Mr. Huang joined the Group in 2004.

HO, Chun Tang Jonathan, aged 31, the Senior Manger responsible for the sales and marketing team in Europe, Korea and Hong Kong market. Mr. Ho graduated from University of Otago in New Zealand with Science Degree. Mr. Ho joined the Group in 2001.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I would like to present to our shareholders the final results of the Company and its subsidiaries (collectively the "Group") for the twelve months ended 31st March 2009.

The turnover of the Group for the current year was HK$515 million (2008: HK$681 million) representing a drop of 24% over last year. Loss attributable to equity holders of the Company was HK$38 million (2008: profit of HK$11 million).

As the global economy plunged into recession and the production cost in China continued to rise, the Group's profitability was inevitably suppressed. During the year under review, the Company and its subsidiaries incurred an operating loss before taxation of approximately HK$23 million. This includes an amount of HK$19 million which relates to the display business of the Group, and an amount of HK$8 million incurred by a then subsidiary in the OLED business before its results ceased to be consolidated into the Group's financial statements pursuant to a deemed disposal during the year. The deemed disposal of the said subsidiary has resulted in a gain of approximately HK$4 million.

In addition, the Group's share of loss of the associated companies amounted to HK$43 million. This is mainly due to the impairment loss in relation to the associated companies' development cost and patent value as the development of the OLED industries has been dampened by the change in economic condition. It should be noted that the impairment loss does not have any impact in the cash flow of the Group or its associated companies. Moreover, the Board of Directors still has confidence in the future of the OLED business and the loss incurred by the associated companies does not deter our commitment to become a one-stop service provider of monochrome and color display products. On the other hand, the Group's jointly controlled entity engaged in manufacture and sales of aluminium electrolytic capacitors continued to perform well and the Group's share of its profits for the year amounted to HK$25 million.

Despite the loss incurred during the year, the Group is able to maintain a healthy balance sheet and liquidity position. As at 31st March, 2009, the Group had bank balance of HK$63 million with no outstanding bank debt.

Facing the current challenging operating environment, the Group acted proactively to maintain our market competitiveness through a number of measures: expanding into overseas markets as well as implementing strict cost control and cautious cash flow management. The management believes the Group have well-equipped to face the challenges ahead as well as to take advantage of the market recovery as and when it takes place. Nevertheless, the economic conditions are still believed to be uncertain and the management maintains a cautious view in the performance of the Group in the coming year.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I would like to take this opportunity to express our gratitude to our staff for their dedication and to our shareholders for their support.

Fang Hung, Kenneth
Chairman

Hong Kong, 17th July, 2009

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The Group recorded a consolidated turnover and loss attributable to equity holders of the Company for the twelve months ended 31st March, 2009 of approximately HK$515 million (2008: HK$681 million) and HK$38 million (2008: profit of HK$11 million), respectively. Turnover of LCD decreased by HK$48 million from approximately HK$326 million to HK$278 million. The slow down in global demand of LCD has resulted in a decrease in its turnover. Turnover of LCM also decreased by HK$113 million from approximately HK$338 million to HK$225 million, largely due to the shrunken sales of TFT modules.

The Group recorded a gross profit of approximately HK$39 million for the twelve months ended 31st March, 2009 (2008: HK$85 million). The gross profit margin was approximately 7.5% (2008: 12.4%). The unfavorable results were mainly due to the decrease in turnover which led to the under-absorption of overheads, particularly in the second half of the year under review. The Group reacted responsively by implementing a series of cost-cutting measures which included reduction in both headcount and related staff costs.

Interest on bank deposits for the year was approximately HK$2 million (2008: HK$10 million). Interest income from bank deposit of the same period last year was mainly attributed to Kunshan Visionox Display Co. Ltd. ("Kunshan Visionox"). However, the Group entered into a restructuring agreement during the year and as a result, Kunshan Visionox becomes an associated company of the Group, and its results ceased to be consolidated into the Group's financial statements but were equity accounted for instead. In addition, the decrease in deposit interest rate also affected the interest income.

The selling and distribution expenses were approximately HK$42 million for the twelve months ended 31st March, 2009 (2008: HK$36 million), which represented 8.2% of the Group's turnover (2008: 5.3%). The increase in selling and distribution expenses was mainly related to the increase in provisions for doubtful debts. Meanwhile, additional marketing expenses have been incurred in certain overseas markets in order to support market diversification.

Administrative and other expenses for the twelve months ended 31st March, 2009 were approximately HK$35 million (2008: HK$52 million), representing a decrease of HK$17 million. This is mainly because the accounts of Kunshan Visionox have ceased to be consolidated into the Group's financial statements during the year as mentioned above. If Kunshan Visionox is excluded, the administrative and other expenses decreased by approximately HK$2 million which is mainly the result of the cost control measures implemented.

During the year under review, the Group's share of loss of associated companies amounted to approximately HK$43 million (2008: HK$5 million) while its share of profit in a jointly-controlled entity amounted to approximately HK$25 million (2008: HK$25 million). The performance of the Group's associated companies and jointly controlled entity will be discussed in more details in the following section.

Finance costs were largely related to bank borrowings and government loan.

During the year, the Group recorded a loss before taxation of approximately HK$41 million (2008: profit of HK$6 million).

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

Investment in Nantong Jianghai Capacitor Company Ltd. ("Nantong Jianghai")

Nantong Jianghai, the Group's jointly-controlled entity, is engaged in the manufacture and sales of aluminium electrolytic capacitors and aluminium formed foil for high-performance aluminium electrolytic capacitors. During the year under review, the Group's share of profit of Nantong Jianghai and its subsidiaries amounted to approximately HK$25 million (2008: HK$25 million).

During the reporting period, Nantong Jianghai increased its investment in manufacturing facilities and technical development. It has established itself as a competent and competitive manufacturer of aluminium electrolytic capacitors for consumer and industrial segment and also as a reliable supplier to certain world-renowned companies, resulting in the growth of its revenue and gross profit. Nevertheless, the increase in profitability has been offset to certain extent by the tax provision after the first two years of income tax exemption.

Investment in OLED Via Kunshan Visionox, Crown Capital and Beijing Visionox

On 22nd September, 2008, the Group, through a wholly owned subsidiary, Faith Crown International Limited ("Faith Crown"), entered into a restructuring agreement for the restructuring and increase in the registered share capital of Kunshan Visionox from RMB400 million to RMB665 million. Pursuant to the restructuring agreement, Faith Crown's interest in the registered capital of Kunshan Visionox would decrease from 47.50% to 34.59%. On the other hand, Crown Capital Holdings Limited ("Crown Capital"), a 47.05% owned associated company of the Group, would acquire a 12.66% in the registered capital of Kunshan Visionox through the exchange of its holding of 73.22% in the registered capital of Beijing Visionox Technology Company Ltd ("Beijing Visionox"). Upon completion of these transactions, the effective equity interest of the Group in Kunshan Visionox through Faith Crown and Crown Capital, will decrease from 47.50% to 40.55%. Kunshan Visionox now has the capability to mass produce OLED products for commercial use, Beijing Visionox, on the other hand, holds various patents for the design, development and manufacture of OLED products. Kunshan Visionox and Beijing Visionox can work seamlessly together to generate the greatest return for their investors as they are now under common control. Details of the transaction were set out in the Company's circular to its shareholders dated 21st October, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

During the year, the Group recognized a gain on deemed disposal of approximately HK$4 million in relation to these transactions.

As of 31st March, 2009, the Group owned 41.82% of Kunshan Visionox because the exchange of registered capital between Kunshan Visionox and Beijing Visionox has not yet been completed. As a condition of the restructuring agreement, the Group has agreed to give up its options to acquire the equity holding in Kunshan Visionox from its other equity holders. Consequently, the accounts of Kunshan Visionox have ceased to be consolidated into the Group's financial statements but were equity-accounted. The share of results of associated companies (including Kunshan Visionox, Crown Capital and Beijing Visionox), amounted to a loss of approximately HK$43 million. A significant portion of the loss was related to the impairment loss of development costs and patent value due to the slower-than-expected development of the OLED markets.

PROSPECTS

The global financial crisis that started in 2008 confronted the economy with unprecedented challenges, and the display sector was unavoidably affected. The stern operating conditions have added uncertainties to the Group's business over the near future. However, the Group will strive to leverage on its expertise in marketing, research and development as well as production capability so as to sustain its competitive edge and capture more market shares. The management will exercise a close monitoring and control over production and operating costs and cash flow, so as to well-equip itself for the future challenges. The cost-control measures have taken effect and coupled with the penetration into overseas market, the management believed that the Group has adopted the right course of actions to resume profitability. Nevertheless, since the fiscal year of 2009/10 is still full of uncertainties over global economy, the management maintains a cautious view on the prospects of the Group in the coming year.

LITIGATION

On 23rd July, 2007, Shenzhen Tian He Jian Sang Electronic Holdings Company Limited ("Shenzhen Tian He Jian Sang") issued legal proceedings in the High Court of Hong Kong against the Company for a sum of approximately RMB10,834,000 (equivalent to approximately HK$12,019,000) and incidental costs. The case was in reliance on certain legal proceedings that took place in the Province of Guangdong, PRC, and a judgment against the Company in respect of a dispute regarding the transfer of certain plant and equipment in the PRC.

On 25th November, 2008, the Company and Shenzhen Tian He Jian Sang entered into the deeds of settlement, pursuant to which the Company agreed to pay and Shenzhen Tian He Jian Sang agreed to accept a sum of money (the "Settlement Sum") as global settlement of all the disputes arising from the various legal proceedings between the two parties. Pursuant to the terms of an indemnity deed dated 31st March, 2001, Antrix Investment Limited, the Company's controlling shareholder, would accept the liability of the whole amount of the Settlement Sum. As a result, the settlement of the said legal cases has no financial impact on the Group's profit and loss account. Details of the settlement of litigation were set out in the Company's announcement dated 25th November, 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND CAPITAL RESOURCES

As at 31st March, 2009, the Group's current ratio was 2.4 (2008: 3.4). The gearing ratio, as a ratio of bank borrowings to net worth, was nil (2008: nil).

As at 31st March, 2009, the Group had total assets of approximately HK$677 million which were financed by liabilities of HK$100 million and shareholders' equity of HK$577 million.

As at 31st March, 2009, the Group's banking facilities amounted to approximately HK$165 million (2008: HK$407 million) of which approximately HK$2 million (2008: HK$154 million) were utilized for issuance of letters of credit and bills payable. The drop in banking facilities was mainly explained by the exclusion of Kunshan Visionox's banking facilities as it has become an associated company as at the balance sheet date.

Certain subsidiaries of the Company have foreign currency time deposits, which expose the Group to foreign currency risk. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

As at 31st March, 2009, a jointly controlled entity of the Group provided guarantees amounting to approximately HK$73 million (2008: HK$81 million) to banks in respect of bank facilities granted to a supplier and two jointly controlled entities of the jointly controlled entity of which approximately HK$37 million (2008: HK$41 million) is shared by the Group.

Except as disclosed above, the Group had no other material contingent liabilities and there was no charge or pledge on the Group's assets as at 31st March, 2009.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of the Group's purchase and turnover attributable to major suppliers and customers were as follows:

	2009	2008
Percentage of purchases from the Group's largest supplier	**6%**	13%
Percentage of purchases from the Group's five largest suppliers	**20%**	29%
Percentage of turnover to the Group's largest customer	**5%**	2%
Percentage of turnover to the Group's five largest customers	**16%**	9%

As a result of the diversification in both customers and suppliers, the Group had no material concentration risk in both sales and sourcing.

As at 31st March, 2009 none of the Directors, their associates, or any shareholders which to the knowledge of the Directors owned more than 5% of the Company's share capital had any beneficial interest in the Group's five largest customers and/or five largest suppliers.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYMENT AND REMUNERATION POLICY

The remuneration package for the Group's employees is structured by reference to market terms and industry's practice. Discretionary bonus and other performance reward are based on the financial performance of the Group and the performance of individual staff. Staff benefit plans maintained by the Group include mandatory and voluntary provident fund scheme and medical insurance.

DIVIDEND

To celebrate the 20th Anniversary of the Group and to show their appreciation to the continuous support of the Shareholders, a special dividend of HK2 cents per share for the year ended 31st March, 2009 has been paid to the Shareholders in January 2009 (2008: Nil).

The Board of Directors have resolved to recommend the payment of a final dividend of HK1 cent per share (2008: HK1 cent) for the year ended 31st March, 2009 subject to approval of the Shareholders of the Company at the forthcoming Annual General Meeting. The final dividend will be paid on or about 8th October, 2009 to Shareholders whose names appear on the register of members of the Company at the close of business on 9th September, 2009.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. Throughout the year ended 31st March, 2009, the Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code on CGP") listed out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for the deviation regarding the terms of service of the non-executive directors which is set out in the section under Appointment and Re-election of Directors. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

BOARD OF DIRECTORS

The Board comprises:

Executive Directors

Mr. Fang Hung, Kenneth, GBS, JP *(Chairman)*
Mr. Li Kwok Wai, Frankie *(Chief Executive Officer)*
Mr. Leung Tze Kuen

Independent Non-executive Directors

Mr. Tien Pei Chun, James, GBS, JP
Mr. Chu Chi Wai, Allan
Mr. Lau Yuen Sun, Adrian

Mr. Fang Hung, Kenneth, and Mr. Li Kwok Wai, Frankie are the beneficial owners of Antrix Investment Limited which holds 69.00% of the issued share capital of the Company. Except for the above, the Board members have no financial, business, family or other material or relevant relationships with one another. Such balanced board composition is formed to ensure strong independence exists across the Board and has met the recommended practice under the Code on CGP for the Board to have at least one-third in number of its members comprising Independent Non-executive Directors.

The Independent Non-executive Directors possess appropriate professional qualifications or accounting or related financial management expertise. Having made specific enquiry with all Independent Non-executive Directors, all such Directors confirmed that they have met the criteria of Rule 3.13 of the Listing Rules regarding the guidelines for assessment of independence. The biographical details of the Directors are set out in page 3 of this Annual Report.

CORPORATE GOVERNANCE REPORT

During the year, four full board meetings were held and the attendance of each Director is set out as follows:

Name of Directors	Number of Meetings Attended
Mr. Fang Hung, Kenneth	4/4
Mr. Li Kwok Wai, Frankie	4/4
Mr. Leung Tze Kuen	4/4
Mr. Tien Pei Chun, James	4/4
Mr. Chu Chi Wai, Allan	4/4
Mr. Lau Yuen Sun	4/4

Regular board meetings are scheduled in advance to facilitate fullest possible attendance. At least 14 days notice of all board meetings is given to all Directors and they can include matters for discussion in the agenda if the need arises. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures that all relevant rules and regulations are followed. The agenda and the accompanying board papers are sent to all Directors at least 3 days before the date of every board meeting so that the Directors have the time to review the documents.

Every Board member is entitled to have access to board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required. The Company Secretary continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practice.

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group. In addition to its overall supervisory role, the Board also retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc whilst managing the Group's business is the responsibility of the management of the Group (the "Management").

When the Board delegates aspects of its management and administration functions to the Management, it has given clear directions, in particular, with respect to the circumstances where the Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are segregated and assumed by separate individuals who have no relationship with each other, except as beneficial owners of Antrix Investment Limited, the Company's holding Company, and fellow Directors, to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual. The Chairman focuses on overall corporate development and strategic direction of the Group, and provides leadership for, and oversees the effective functioning of, the Board. The Chief Executive Officer is responsible for the day-to-day corporate management as well as planning and developing the Group's strategy.

Appointment and Re-election of Directors

Code provision A.4.1 of the Code on CGP stipulates that non-executive directors should be appointed for a specific term and subject to re-election. The existing Independent Non-executive Directors are not appointed for a specific term, but subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the bye-laws of the Company (the “Bye-laws”). The Board does not believe that arbitrary term limits on the Directors’ services are appropriate given that Directors ought to be committed to representing the long-term interests of the shareholders.

According to the Bye-laws, at each annual general meeting of the Company one third of the Directors for the time being (and if the number of Directors is not three or a multiple of three, then the number nearest to but not less than one third) shall retire by rotation. This complies with the provision A.4.2 of the Code on CGP which requires all Directors to be subject to retirement by rotation at least once every three years.

Nomination of Directors

The Company does not have a Nomination Committee. The Board as a whole is responsible for the procedure of agreeing to the appointment of its members and for nominating appropriate person for election by shareholders at the annual general meeting, either to fill a casual vacancy or as an addition to the existing Directors.

According to the Bye-Laws, notice in writing of the intention to propose a person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office of the Company at least seven days before the date of the general meeting, or else no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting.

The period for lodgment of the notices referred to above will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

The detailed information on election of Directors including detailed biography of all Directors standing for re-election to ensure shareholders to make an informed decision on their election has been set out in the circular regarding, inter alia, the share repurchase mandate and notice of annual general meeting.

BOARD COMMITTEES

The Board establishes committees to assist it in carrying out its responsibilities. The Board has appointed 2 Board committees i.e. the Remuneration Committee and Audit Committee to oversee particular aspects of the Group’s affairs. Each of the committees has defined terms of reference setting out its duties, powers and function. The committees report regularly to the Board and, where appropriate, make recommendations on matters discussed.

CORPORATE GOVERNANCE REPORT

Remuneration Committee

The Remuneration Committee was established on 27th May, 2005. The Committee comprises Mr. Lau Yuen Sun, Adrian and Mr. Chu Chi Wai, Allan, both Independent Non-executive Directors, and Mr. Li Kwok Wai, Frankie, Executive Director and Chief Executive Officer. Mr. Lau Yuen Sun, Adrian, was appointed as Chairman of the Remuneration Committee. The written terms of reference stipulating the authority and duties of the Remuneration Committee conform to the provisions of the Code on CGP.

The Remuneration Committee shall meet at least once a year. A meeting was held in the year ended 31st March, 2009. All three members attended the meeting.

The remuneration policy of the Group is to ensure all its employees are remunerated in line with market terms and individual performance.

At the meeting held during the year, the overall pay trend in Hong Kong was noted and the remuneration of the Directors and senior management team was reviewed accordingly.

The major roles and functions of the Remuneration Committee are as follows:

1. To review annually and recommend to the Board the overall remuneration policy for the Directors and senior management.

2. To review annually the performance of the Executive Directors and senior management and recommend to the Board specific adjustments in remuneration and/or reward payments.

3. To ensure that the level of remuneration for Independent Non-executive Directors are linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

4. To ensure that no Director is involved in deciding his own remuneration.

Audit Committee

The Audit Committee of the Company comprises three Independent Non-executive Directors. Mr. Lau Yuen Sun, Adrian, was appointed as Chairman of the Audit Committee.

The Audit Committee shall meet at least twice a year. Two meetings were held during the year. The minutes of the Audit Committee meetings were tabled to the Board for noting and for action by the Board where appropriate, the attendance of each member is set out as follows:

Name of Directors	Number of Meetings Attended
Mr. Lau Yuen Sun, Adrian	2/2
Mr. Chu Chi Wai, Allan	2/2
Mr. Tien Pei Chun, James	2/2

During the year, the Audit Committee had performed the following work:

(i) reviewed the financial reports for the year ended 31st March, 2008 and for the six months ended 30th September, 2008;

(ii) reviewed the effectiveness of internal control system;

(iii) reviewed the external auditors' statutory audit plan and engagement letter;

(iv) discussed with the Company's external auditors the internal control of the Group; and

(v) reviewed and recommended for approval by the Board the scope and fees of the audit for the year ended 31st March, 2009.

The major roles and functions of the Audit Committee are as follows:

1. To consider the appointment of the external auditors, the audit fees, and any questions of resignation or dismissal of the external auditors of the Group.

2. To discuss with the external auditors the nature and scope of the audit.

3. To review the interim and annual financial statements before submission to the Board.

4. To discuss problems and reservations arising from the interim review and final audit, and any matters the auditors may wish to discuss.

5. To review the external auditors' management letters and management's response.

6. To review the Company's systems of financial controls, internal controls and risk management to ensure that they are appropriate and functioning properly.

AUDITORS' REMUNERATION

During the year under review, the remuneration to the Company's auditors, Messrs Deloitte Touche Tohmatsu, is set out as follows:

Services rendered	Fees *HK$*
Audit related services	2,282,114
Non audit related services	200,000
	2,482,114

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL

The Board and senior management are responsible for establishing, maintaining and operating an effective system of internal control. The internal control system of the Company comprises a well-established organizational structure and comprehensive polices and standards. The Board has clearly defined the authorities and key responsibilities of each business and operational unit to ensure adequate checks and balances.

During the year the Board has reviewed the effectiveness of the internal control system of the Group. The Board is of the view that the system of internal controls in place for the year under review is sound and sufficient to safeguard the interests of shareholders, customers and employees, as well as the Group's assets.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and involving in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The key processes that have been established in reviewing the adequacy and integrity of the system of internal controls include the following:

(a) The Management, led by the Executive Directors, ensures the effectiveness of the Group's daily operations and that the Group's operations are in accordance with the corporate objectives, strategies and the annual budget as well as the policies and business directions that have been approved.

(b) The Audit Committee of the Company reviews internal control issues identified by external auditors, regulatory authorities and management, and evaluates the adequacy and effectiveness of the Group's risk management and internal control systems.

(c) The Remuneration Committee ensures that all the Directors and the senior management of the Group are remunerated in line with market terms and individual performance.

(d) The corporate reporting functions are delegated to the accounting department in terms of proper and regular reviews on the deployment of resources and financial reporting systems. The corporate governance practices and compliance with the Listing Rules, Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and other applicable regulations are delegated to the company secretarial department. The Management reviews the system of internal controls and briefs the reporting systems with the Executive Directors regularly and the Audit Committee annually.

(e) Every newly appointed Director would be provided with a comprehensive handout detailing the responsibilities and duties of being a director of the Company. In particular the newly appointed Director would be briefed of the respective applicable rules and regulation, including the Listing Rules, which a director should be aware of on the first occasion of his appointment with the Company.

(f) The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules (the "Model Code"). A copy of the Model Code was sent to each Director and the relevant employees of the Group who are required to be provided under the Model Code. Enquiries have been made with Directors and all the Directors have confirmed that they have complied with the required standards set out in the Model Code throughout the year.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st March, 2009, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis.

COMMUNICATION WITH SHAREHOLDERS

The Company establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports and press announcements.

As a channel of further promoting effective communication, the corporate website is maintained to disseminate the relevant financial and non-financial information on a timely basis.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. At the Company's 2008 Annual General Meeting, Chairman of the Board as well as Chairman of the Audit Committee and Remuneration Committee were present to answer shareholders' questions.

At the Company's 2008 Annual General Meeting, all the resolutions were dealt with and passed on a show of hands. In accordance with the provisions of the revised Listing Rules, all the votings in the forthcoming Annual General Meeting will be conducted by poll.

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2009.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries, jointly controlled entities and associates are set out in notes 37, 17 and 16, respectively, to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2009 are set out in the consolidated income statement on page 27.

A special dividend of HK2 cents per ordinary share has been declared and paid in January 2009. The directors now recommend the payment of a final dividend of HK1 cent per ordinary share to the shareholders on the register of members on 9th September, 2009, amounting to approximately HK$10,112,000, and the retention of the remaining profit.

PROPERTY, PLANT AND EQUIPMENT

Details of this and other movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements of the issued share capital of the Company are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 30 and page 31.

The Company's reserve available for distribution to shareholders as at 31st March, 2009 were as follows:

	2009	2008
	HK$'000	*HK$'000*
Contributed surplus	**49,259**	49,259
Retained profits	**19,427**	8,402
	68,686	57,661

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare to pay a dividend, or make a distribution out of contribution surplus if:

(a) it is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive directors:

Mr. Fang Hung, Kenneth
Mr. Li Kwok Wai, Frankie
Mr. Leung Tze Kuen

Independent non-executive directors:

Mr. Tien Pei Chun, James
Mr. Chu Chi Wai, Allan
Mr. Lau Yuen Sun, Adrian

In accordance with Clause 87 of the Company's Bye-Laws, Mr. Fang Hung, Kenneth and Mr. Leung Tze Kuen retire and, being eligible, offer themselves for re-election.

The directors proposed for re-election at the forthcoming Annual General Meeting do not have a service contract which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The independent non-executive directors are not appointed for a specific term but are subject to retirement by rotation in accordance with the Company's Bye-Laws.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 31st March, 2009, the interests and short positions of the directors and chief executives and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long position in the shares of the Company

	Number of shares and nature of interests			
	Personal interests	Through controlled corporations	Total	Percentage of company's issued capital
Mr. Fang Hung, Kenneth *(Note)*	20,130,000	697,692,368	717,822,368	70.99%
Mr. Li Kwok Wai, Frankie *(Note)*	31,228,013	697,692,368	728,920,381	72.09%

Note: Antrix Investment Limited owns 697,692,368 shares of the Company. Mr Fang Hung, Kenneth and Mr Li Kwok Wai, Frankie beneficially own 51% and 49%, respectively, of the issued share capital of Antrix Investment Limited.

Save as disclosed above, as at 31st March, 2009, none of the directors, the chief executives or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long position in the shares of the Company

	Capacity and nature of interest	Number of shares held	% of the Company's issued share capital
Antrix Investment Limited *(Note)*	Directly beneficially owned	697,692,368	69.00%
Esca Investment Limited *(Note)*	Indirectly beneficially owned	697,692,368	69.00%
Megastar Venture Limited *(Note)*	Indirectly beneficially owned	697,692,368	69.00%
Chong Hing Bank Limited	Directly beneficially owned	57,600,000	5.70%

Note: Antrix Investment Limited is held as to 51% by Esca Investment Limited (a company wholly-owned by Mr Fang Hung, Kenneth) and 49% by Megastar Venture Limited (a company wholly-owned by Mr Li Kwok Wai, Frankie). The shares held by Esca Investment Limited and Megastar Venture Limited represent the same interest held by Antrix Investment Limited, which have also been disclosed as an interest of Mr Fang Hung, Kenneth and Mr Li Kwok Wai, Frankie under the section "Interests of Directors' and Chief Executives in Securities".

Save as disclosed above, as at 31st March, 2009, the Company was not notified by any persons who had interests or short positions of 5% or more in the shares and underlying shares of the Company which is required to be recorded under Section 336 of the SFO.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is reviewed regularly by the board of directors. Remuneration packages are structured to take into account the merit, qualifications and competence of individual employees as well as the general market conditions.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

DIRECTORS' REPORT

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2009 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except that the non-executive directors of the Company were not appointed for a specific term but they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-Laws.

The Company had adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of the directors it is confirmed that they have complied with the required standard set out in the Model Code.

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2009.

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the financial statements of the Group for the year ended 31st March, 2009.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Li Kwok Wai, Frankie
Chief Executive Officer

Hong Kong
17th July, 2009

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE MEMBERS OF YEEBO (INTERNATIONAL HOLDINGS) LIMITED
億都（國際控股）有限公司
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 83, which comprise the consolidated balance sheet as at 31st March, 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31st March, 2009 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

17th July, 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2009

	Notes	2009 HK$'000	2008 HK$'000
Revenue	5	**515,002**	680,973
Cost of sales		**(476,497)**	(596,471)
Gross profit		**38,505**	84,502
Other income	6	**9,801**	13,142
Interest on bank deposits		**1,848**	10,145
Selling and distribution expenses		**(42,274)**	(36,113)
Administrative and other expenses		**(34,687)**	(52,165)
Impairment loss on available-for-sale investments		**–**	(32,011)
Share of results of associates	16	**(42,913)**	(5,478)
Share of results of a jointly controlled entity	17	**25,258**	25,194
Gain on deemed disposal of a subsidiary	29	**4,235**	–
Finance costs	7	**(764)**	(824)
(Loss) profit before income tax		**(40,991)**	6,392
Income tax expense	8	**(1,637)**	(3,916)
(Loss) profit for the year	9	**(42,628)**	2,476
Attributable to:			
Equity holders of the Company		**(38,252)**	10,978
Minority interests		**(4,376)**	(8,502)
		(42,628)	2,476
Dividends recognised as distribution:	12		
Final dividend for 2008 of HK1 cent (2008: HK1 cent for 2007) and special dividend for 2009 of HK2 cents (2008: nil) per ordinary share		**30,335**	10,436
(Loss) earning per share – basic	13	**HK(3.78) cents**	HK1.06 cents

CONSOLIDATED BALANCE SHEET

As at 31st March, 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	14	**88,937**	222,437
Prepaid lease payment – non-current	15	**–**	22,784
Prepayment for acquisition of plant and equipment		**122**	10,567
Prepayment to an associate		**–**	22,188
Interests in associates	16	**183,254**	20,534
Interest in a jointly controlled entity	17	**166,097**	137,169
Available-for-sale investments	18	**2,739**	1,402
Intangible assets	19	**1,459**	9,493
		442,608	446,574
Current assets			
Inventories	20	**58,514**	104,551
Trade and other receivables	21	**70,592**	95,897
Bills receivable	22	**4,328**	888
Dividend receivable from a jointly controlled entity		**37,959**	37,165
Prepaid lease payment – current	15	**–**	475
Amount due from an associate	16	**65**	20,478
Pledged bank deposits	23	**–**	144,711
Bank balances and cash	23	**62,664**	84,776
		234,122	488,941
Current liabilities			
Trade and other payables	24	**88,972**	128,741
Bills payable	24	**929**	5,413
Amount due to an associate	16	**1,391**	1,891
Deferred income	25	**–**	1,664
Tax payable		**7,000**	6,725
		98,292	144,434
Net current assets		**135,830**	344,507
Total assets less current liabilities		**578,438**	791,081

CONSOLIDATED BALANCE SHEET

As at 31st March, 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current liabilities			
Deferred income	25	**–**	17,240
Government loan	26	**–**	9,768
Deferred tax liability	27	**1,263**	–
		1,263	27,008
		577,175	764,073
Capital and reserves			
Share capital	28	**202,231**	202,231
Reserves		**374,944**	436,889
Equity attributable to equity holders of the Company		**577,175**	639,120
Minority interests		**–**	124,953
Total equity		**577,175**	764,073

The financial statements on pages 27 to 83 were approved and authorised for issue by the Board of Directors on 17th July, 2009 and are signed on its behalf by:

Fang Hung, Kenneth
DIRECTOR

Li Kwok Wai, Frankie
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2009

	Attributable to equity holders of the company									
	Share capital HK$'000	Share premium HK$'000	Capital reserve *(note (a))* HK$'000	Capital redemption reserve HK$'000	Investment revaluation reserve HK$'000	Translation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Minority interests HK$'000	Equity total HK$'000
At 1st April, 2007	208,713	147,303	2,125	1,347	(10,316)	13,400	251,927	614,499	121,937	736,436
Net loss on available-for-sale investments	–	–	–	–	(21,695)	–	–	(21,695)	–	(21,695)
Exchange difference arising on translation of foreign operations	–	–	–	–	–	17,389	–	17,389	11,518	28,907
Share of change in equity of associates/a jointly controlled entity	–	–	–	–	–	16,914	–	16,914	–	16,914
Net (losses) gains recognised directly in equity	–	–	–	–	(21,695)	34,303	–	12,608	11,518	24,126
Transfer to consolidated income statement in respect of impairment loss on available-for-sale investments	–	–	–	–	32,011	–	–	32,011	–	32,011
Profit for the year	–	–	–	–	–	–	10,978	10,978	(8,502)	2,476
Total recognised income and expense for the year	–	–	–	–	10,316	34,303	10,978	55,597	3,016	58,613
Share repurchase	(6,482)	(20,540)	–	6,482	–	–	–	(20,540)	–	(20,540)
Dividends recognised as distribution	–	–	–	–	–	–	(10,436)	(10,436)	–	(10,436)
At 31st March, 2008 and 1st April, 2008	202,231	126,763	2,125	7,829	–	47,703	252,469	639,120	124,953	764,073

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2009

	Attributable to equity holders of the company									
	Share capital	Share premium	Capital reserve *(note (a))*	Capital redemption reserve	Investment revaluation reserve	Translation reserve	Retained profits	Total	Minority interests	Equity total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Exchange difference arising on translation of foreign operations	–	–	–	–	–	5,594	–	5,594	2,772	8,366
Share of change in equity of associates/a jointly controlled entity	–	–	–	–	–	3,893	–	3,893	–	3,893
Net gains recognised directly in equity	–	–	–	–	–	9,487	–	9,487	2,772	12,259
Release of reserve upon deemed disposal of a subsidiary *(note 29)*	–	–	–	–	–	(2,845)	–	(2,845)	–	(2,845)
Loss for the year	–	–	–	–	–	–	(38,252)	(38,252)	(4,376)	(42,628)
Total recognised income and expense for the year	–	–	–	–	–	6,642	(38,252)	(31,610)	(1,604)	(33,214)
Dividends recognised as distribution	–	–	–	–	–	–	(30,335)	(30,335)	–	(30,335)
Deemed disposal of a subsidiary *(note 29)*	–	–	–	–	–	–	–	–	(123,349)	(123,349)
At 31st March, 2009	202,231	126,763	2,125	7,829	–	54,345	183,882	577,175	–	577,175

Notes:

(a) The capital reserve balance of the Group represents the difference between the aggregate nominal value of the share capital of acquired subsidiaries and the aggregate nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1993, and after the reclassification of the amounts related to the share premium arising from issue of shares of a subsidiary prior to the group reorganisation to capital reserve and after reserve movements at the time of the capital reduction in previous years.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2009

	2009 HK$'000	2008 HK$'000
Operating activities		
(Loss) profit before income tax	**(40,991)**	6,392
Adjustments for:		
Finance costs	**764**	824
Share of result of associates	**42,913**	5,478
Share of result of a jointly controlled entity	**(25,258)**	(25,194)
Interest income	**(1,848)**	(10,145)
Depreciation	**36,315**	37,423
Gain on deemed disposal of a subsidiary	**(4,235)**	–
Amortisation of intangible assets and prepaid lease payments	**1,363**	2,103
(Gain) loss on disposals of property, plant and equipment	**(13)**	302
Allowance for doubtful debts	**7,899**	4,347
Allowance for obsolete inventories	**6,252**	11,338
Impairment loss on available-for-sale investments	**–**	32,011
Operating cash flows before movements in working capital	**23,161**	64,879
Decrease (increase) in inventories	**38,886**	(32,677)
Decrease in trade and other receivables	**5,702**	12,564
Increase in bills receivable	**(3,440)**	(888)
(Decrease) increase in trade and other payables	**(34,704)**	3,649
(Decrease) increase in bills payable	**(4,484)**	2,804
Increase in deferred income	**9,167**	4,983
Net cash generated from operations	**34,288**	55,314
Income tax paid	**(99)**	(705)
Net cash from operating activities	**34,189**	54,609

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March, 2009

	Notes	2009 HK$'000	2008 HK$'000
Investing activities			
Decrease (increase) in pledged bank deposits		**108,968**	(137,133)
Repayment from an associate		**18,615**	–
Interest received		**1,848**	10,145
Proceeds from disposals of property, plant and equipment		**15**	335
Purchase of property, plant and equipment		**(159,069)**	(84,456)
Prepayment to an associate		**(10,108)**	(21,026)
Net cash outflow on deemed disposal of a subsidiary	29	**(6,325)**	–
Purchase of available-for-sale investments		**(1,337)**	(1,402)
Prepayment for acquisition of plant and equipment		**(122)**	(10,080)
Decrease in time deposits with maturity over three months		**–**	153,663
Repayment from a jointly controlled entity		**–**	45
Payment of deferred consideration in respect of acquisition of a jointly controlled entity		**–**	(41,072)
Deposits paid for acquisition of land use rights		**–**	(5,850)
Advance to an associate		**–**	(34)
Net cash used in investing activities		**(47,515)**	(136,865)
Financing activities			
Dividend paid		**(30,335)**	(10,568)
Interest paid		**(310)**	(696)
Repayment of amount due to an associate		**(500)**	(550)
New bank loan raised		**22,682**	–
Government loan received		**–**	571
Shares repurchase		**–**	(20,540)
Net cash used in from financing activities		**(8,463)**	(31,783)
Net decrease in cash and cash equivalents		**(21,789)**	(114,039)
Effect of changes in exchange rates		**(323)**	4,813
Cash and cash equivalents at beginning of the year		**84,776**	194,002
Cash and cash equivalents at end of the year, represented by bank balances and cash		**62,664**	84,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent company is Antrix Investment Limited (incorporated in the British Virgin Island (the "BVI")) and its ultimate holding company is Esca Investment Limited (incorporated in the BVI)). The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which are the same as the functional currency of the Company.

The principal activities of the Company and its subsidiaries (the "Group") are the manufacturing and sales of liquid crystal displays ("LCDs") and liquid crystal displays modules ("LCMs") products.

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

In the current year, the Group has applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

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

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)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[5]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[6]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[7]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[8]

1 Effective for annual periods beginning on or after 1st January, 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1st July, 2009
2 Effective for annual periods beginning on or after 1st January, 2009, 1st July, 2009 and 1st January, 2010, as appropriate
3 Effective for annual periods beginning on or after 1st January, 2009
4 Effective for annual periods beginning on or after 1st July, 2009
5 Effective for annual periods ending on or after 30th June, 2009
6 Effective for annual periods beginning on or after 1st July, 2008
7 Effective for annual periods beginning on or after 1st October, 2008
8 Effective for transfers on or after 1st July, 2009

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

The application of HKAS 23 (Revised) Borrowing Costs which is effective for period beginning on or after 1st January, 2009 eliminates the option to expense all borrowing costs when incurred.

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 results and the financial position of the Group and the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below.

The consolidated financial statement have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are presented separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Interests in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in associates (continued)

The results and assets and liabilities of associates are incorporated in the these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate recognised at the date of acquisition is recognised as goodwill. From 1st January, 2005 onwards, the Group has discontinued amortisation of goodwill and such goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Where a group entity transacts with an associate of the Group, profits or losses are eliminated to the extent of the Group's interest in the relevant associate.

Joint ventures

Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of net assets of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from sale of goods is recognised when goods are delivered and title has passed.

Dividend income from investments is recognised when the shareholders' rights to receive payments have been established.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods and services, or for administrative purposes other than construction in progress are stated at cost less subsequent accumulated depreciation and amortisation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Leasehold land and buildings under development for future owner-occupied purpose

When the leasehold land and buildings are in the course of development for production or for administrative purposes, the leasehold land component is classified as a prepaid lease payment and amortised over a straight-line basis over the lease term. During the construction period, the amortisation charge provided for the leasehold land is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to expense items are recognised in the same period as those expenses are charged in the consolidated income statement and are deducted in reporting the related expense.

Retirement benefit costs

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund ("MPF") Scheme are charged as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is recognised on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Intangible assets

Club membership acquired separately

Club memberships with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

Club memberships are tested for impairment annually by comparing their carrying amounts with their recoverable amounts, irrespective of whether there is any indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Patents acquired separately

Patents acquired separately and with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for patents with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Gains or losses arising from derecognition of patent are measured at the difference between the net disposal proceeds and the carrying amount of the patent and are recognised in the consolidated income statement when the asset is derecognised.

Research and development expenditures

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life, and carried at cost less subsequent accumulated amortisation and any accumulated impairment losses.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified into one of two categories, loans and receivables and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables, bills receivable, dividend receivable from a jointly controlled entity, amount due from an associate, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment on financial assets below).

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-for-maturity investments.

At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss (see accounting policy on impairment on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition (see accounting policy on impairment on financial assets below).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables and other receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for similar financial assets. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities generally classified as other financial liabilities.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables, bills payable, amount due to an associate and government loan are subsequently measured at amortised cost, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share repurchase

On share repurchase, the issued share capital of the Company will be reduced by the nominal value of the repurchased shares and such amount will be transferred to capital redemption reserve. The total amount paid on the repurchase will be charged to share premium.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivables and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment on tangible and intangible assets with finite useful lives

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the tangible assets and intangible assets with finite useful lives is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors of the Company are required to make estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment assessment of property, plant and equipment

Property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined at the higher of the fair value of the property, plant and equipment less costs to sell or the value-in-use calculations. The management estimated the recoverable amounts of the property, plant and equipment based on the value-in-use calculations. The value in use calculation requires the management to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate the present value. An impairment loss is measured as the difference between the asset's carrying amount and the recoverable amount. Where actual future cash flow derived from the property, plant and equipment is less than expected, a material impairment loss may arise. As at 31st March, 2009, the carrying amount of property, plant and equipment is approximately HK$88,937,000 net of accumulated depreciation of approximately HK$257,548,000. (2008: HK$222,437,000 net of accumulated depreciation of HK$221,966,000). No impairment loss is identified during both years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment of interests in associates

Determining whether interests in associates are impaired requires an estimation of future cash flows expected to be generated from the operations of the associates. The management will then estimate its share of the present value of the estimated future cash flow expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment. As at 31st March, 2009, the carrying amount of interests in associates was HK$183,254,000 (2008: HK$20,534,000).

Allowances for inventories

The management of the Group reviews an aging analysis at each balance sheet date, and makes allowance for obsolete and slow-moving inventory items identified that are no longer suitable for use in production. The management estimates the net realisable value for such finished goods and work-in progress based primarily on the latest invoice prices and current market conditions. The Group carries out an inventory review on a product – by – product basis at each balance sheet date and makes allowance for obsolete items. During the year, the Group has recognised allowances for obsolete inventories amounting to approximately HK$6,252,000 (2008: HK$11,338,000). As at 31 st March, 2009, the carrying amount of inventories was HK$58,514,000 (2008: HK$104,551,000).

Impairment of trade and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year, the Group has recognised impairment losses on receivables amounting to approximately HK$7,899,000 (2008: HK$4,347,000) As at 31st March 2009, the carrying amount of trade and other receivables was HK$70,592,000 (2008: HK$95,897,000).

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into two main operating divisions – liquid crystal displays ("LCD") and liquid crystal displays module ("LCM"). These divisions are the basis on which the Group reports its primary segment information.

The principal activities of the Group are as follows:

LCDs – manufacture and sale of LCDs
LCMs – manufacture and sale of LCMs

Segmental information about these businesses is presented below:

2009

	LCDs	LCMs	Unallocated	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue					
External sales	278,426	225,405	11,171	–	515,002
Inter-segment sales	38,575	–	–	(38,575)	–
Total	317,001	225,405	11,171	(38,575)	515,002
Result					
Segment result	(6,631)	(7,099)			(13,730)
Interest income					1,848
Unallocated operating income net of expenses					(6,263)
Unallocated corporate expenses					(3,165)
Net exchange loss					(5,497)
Share of results of associates					(42,913)
Share of result of a jointly controlled entity					25,258
Gain on deemed disposal of a subsidiary					4,235
Finance costs					(764)
Profit before income tax					(40,991)
Income tax expense					(1,637)
Loss for the year					(42,628)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

2009

Consolidated balance sheet

	LCDs *HK$'000*	LCMs *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Assets				
Segment assets	155,231	59,840	3,702	218,773
Interests in associates				183,254
Interest in a jointly controlled entity				166,097
Amount due from an associate				65
Unallocated corporate assets				108,541
Consolidated total assets				676,730
Liabilities				
Segment liabilities	66,648	20,406	2,847	89,901
Amount due to an associate				1,391
Tax payable				7,000
Deferred tax liability				1,263
Consolidated total liabilities				99,555
Other information				
Additions to property, plant and equipment	6,492	1,204	161,940	169,636
Allowance for doubtful debts	3,262	4,637	–	7,899
Allowance for obsolete inventories	1,252	5,000	–	6,252
Depreciation of property, plant and equipment	30,554	5,374	387	36,315
Amortisation of intangible assets and prepaid lease payment	–	–	1,363	1,363
Gain on disposal of property, plant and equipment	(13)	–	–	(13)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

2008

	LCDs	LCMs	Unallocated	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue					
External sales	325,762	338,136	17,075	–	680,973
Inter-segment sales	32,390	–	–	(32,390)	–
Total	358,152	338,136	17,075	(32,390)	680,973
Result					
Segment result	24,306	13,805			38,111
Interest income					10,145
Unallocated operating income net of expenses					(7,253)
Unallocated corporate expenses					(4,113)
Net exchange loss					(17,379)
Impairment loss on available-for-sale investments					(32,011)
Share of results of associates					(5,478)
Share of result of a jointly controlled entity					25,194
Finance costs					(824)
Profit before income tax					6,392
Income tax expense					(3,916)
Profit for the year					2,476

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Business segments (continued)

2008

Consolidated balance sheet

	LCDs	LCMs	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Assets				
Segment assets	213,517	92,236	178,141	483,894
Interests in associates				20,534
Interest in a jointly controlled entity				137,169
Amount due from an associate				20,478
Unallocated corporate assets				273,440
Consolidated total assets				935,515
Liabilities				
Segment liabilities	87,150	27,413	38,495	153,058
Amount due to an associate				1,891
Government loan				9,768
Tax payable				6,725
Consolidated total liabilities				171,442
Other information				
Additions to property, plant and equipment	4,757	6,936	73,221	84,914
Prepayment to an associate	–	–	22,188	22,188
Addition to prepaid lease payments	–	–	5,850	5,850
Allowance for doubtful debts	4,040	307	–	4,347
Allowance for obsolete inventories	7,397	3,941	–	11,338
Depreciation of property, plant and equipment	31,356	5,089	978	37,423
Amortisation of intangible assets	–	–	2,103	2,103
Loss on disposal of property, plant and equipment	302	–	–	302

5. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Geographical segments

The Group's operations are mainly located in Hong Kong and other regions of the People's Republic of China (the "PRC"). The following table provides an analysis of the Group's turnover by geographical market, irrespective of the origin of goods or services.

	Sales revenue by geographical market	
	2009	2008
	HK$'000	*HK$'000*
Hong Kong, the PRC	**199,006**	386,827
Other regions of the PRC	**76,002**	66,452
Europe	**67,411**	75,031
Japan	**65,284**	62,896
Other countries	**107,299**	89,767
	515,002	680,973

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong, the PRC	**61,371**	80,188	**125**	1,395
Other regions of the PRC	**149,950**	396,292	**169,511**	83,307
Other regions	**7,452**	7,414	**–**	212
	218,773	483,894	**169,636**	84,914

6. OTHER INCOME

	2009	2008
	HK$'000	*HK$'000*
Tooling income	**5,027**	4,372
Scrap sales	**1,141**	2,252
Reversal of payables	**–**	3,661
Others	**3,633**	2,857
	9,801	13,142

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

7. FINANCE COSTS

	2009	2008
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**310**	–
Interest on other payables	**71**	128
Interest on government loan	**383**	696
	764	824

8. INCOME TAX EXPENSE

	2009	2008
	HK$'000	*HK$'000*
The income tax expense comprises:		
Current tax		
Hong Kong	**47**	14
Other jurisdictions	**337**	3,857
	384	3,871
(Over) underprovision in prior years		
Hong Kong	**(10)**	45
Deferred taxation *(note 27)*		
Charges for the year	**1,263**	–
	1,637	3,916

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the year.

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdiction.

On 16th March 2007, the PRC Government promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6th December 2007, the State Council of the PRC issued Implementation Regulation. Enterprise Income Tax shall be levied at the rate of 25% with effect from 1st January 2008.

8. INCOME TAX EXPENSE (continued)

The Group's certain subsidiaries operating in the PRC were entitled to a "2+3" tax holiday under which these subsidiaries were exempted from enterprise income tax for two years starting from its first profit making year, followed by a 50% reduction for the subsequent three years. Although the "2+3" tax holiday has been revoked under the New Law, these PRC subsidiaries which are protected under grandfather relief could continue to enjoy the "2+3" tax holiday until its expiry. The applicable enterprise income tax rate for these PRC subsidiaries under the grandfather relief for the year ended 31st March 2009 is 12.5%.

Under the New Law, distributable profits earned by foreign investment enterprises since 1st January, 2008 is subject to withholding tax of 10% of profit distributed to foreign investors. However, pursuant to the Arrangement between the Mainland and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion, the withholding tax aforementioned can be reduced to 5%, if the non- resident investor is a Hong Kong incorporated company, provided that the Hong Kong incorporated company beneficially owns no less than 25% of the PRC company.

Pursuant to the above-mentioned, the Group has recognised deferred tax liability for the distributable profits earned by its PRC jointly controlled entity since 1st January, 2008 accordingly. No deferred tax liabilities have been recognised in respect of the PRC subsidiaries and associates as the subsidiaries and associates have no distributable profits since 1st January, 2008.

The income tax expense for the year can be reconciled to the (loss) profit before income tax per the consolidation income statement as follows:

	2009	2008
	HK$'000	*HK$'000*
(Loss) profit before income tax	**(40,991)**	6,392
Tax at Hong Kong Profits Tax rate of 16.5% (2008: 17.5%)	**(6,764)**	1,119
Tax effect of share of results of associates	**7,081**	959
Tax effect of share of result of a jointly controlled entity	**(4,168)**	(4,409)
Tax effect of expenses that are not deductible for tax purpose	**3,883**	8,645
Tax effect of income not taxable for tax purpose	**(273)**	(243)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1,228)**	(954)
(Over) underprovision in respect of prior years	**(10)**	45
Tax effect of tax loss not recognized	**1,205**	–
Tax effect of temporary differences not recognised in the current year	**667**	(108)
Withholding tax for undistributed profits in a jointly controlled entity	**1,263**	–
Others	**(19)**	56
Utilisation of tax losses previously not recognised	**–**	(1,096)
Effect of tax exemptions granted to the PRC subsidiaries	**–**	(98)
Income tax expense for the year	**1,637**	3,916

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

9. (LOSS) PROFIT FOR THE YEAR

	2009	2008
	HK$'000	*HK$'000*
(Loss) profit for the year has been arrived at after charging (crediting):		
Auditors' remuneration		
– current year	**1,641**	1,794
– (over)/under provided in prior year	**(92)**	127
Cost of inventories recognised as expenses (including allowances for obsolete inventories HK$6,252,000, 2008: HK$11,338,000)	**476,497**	596,471
Depreciation of property, plant and equipment	**36,315**	37,423
Amortisation of intangible assets and prepaid lease payments (included in administrative and other expenses)	**1,363**	2,103
(Gain) loss on disposals of property, plant and equipment	**(13)**	302
Staff costs, including directors' emoluments *(note 10)*	**105,423**	107,317
Allowance for doubtful debts (included in selling and distribution expenses)	**7,899**	4,347
Net foreign exchange losses (included in administrative and other expenses)	**5,497**	17,379
Share of tax of a jointly controlled entity (including in share of results of a jointly controlled entity)	**2,589**	246

10. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the five directors were as follows:

Year ended 31st March, 2009

	Fang Hung, Kenneth *HK$'000*	Li Kwok Wai, Frankie *HK$'000*	Leung Tze Kuen *HK$'000*	Tien Pei Chun, James *HK$'000*	Chu Chi Wai, Allan *HK$'000*	Lau Yuen Sun, Adrian *HK$'000*	Total *HK$'000*
Fee	–	–	–	120	120	120	360
Other emoluments							
Salaries and other benefits	1,386	1,303	693	–	–	–	3,382
Performance related incentive payments *(note (b))*	–	–	295	–	–	–	295
Retirement benefit scheme contributions	–	65	49	–	–	–	114
Total emoluments	1,386	1,368	1,037	120	120	120	4,151

Year ended 31st March, 2008

	Fang Hung, Kenneth *HK$'000*	Li Kwok Wai, Frankie *HK$'000*	Leung Tze Kuen *(note (a))* *HK$'000*	Tien Pei Chun, James *HK$'000*	Chu Chi Wai, Allan *HK$'000*	Lau Yuen Sun, Adrian *HK$'000*	Total *HK$'000*
Fee	–	–	–	150	150	150	450
Other emoluments							
Salaries and other benefits	1,440	1,354	660	–	–	–	3,454
Performance related incentive payments *(note (b))*	–	113	252	–	–	–	365
Retirement benefit scheme contributions	–	73	46	–	–	–	119
Total emoluments	1,440	1,540	958	150	150	150	4,388

Notes:

(a) Mr. Leung Tze Kuen ("Mr. Leung") was appointed as an executive director in September 2007. The emolument of Mr. Leung represents his full year's emolument. Mr. Leung's emoluments for the period after his appointment as an executive director amounted to approximately HK$404,000.

(b) The performance related incentive payment is determined on a discretionary basis.

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2008: three) were directors of the Company whose emoluments are included in note 10 above. The emoluments of the remaining two (2008: two) individuals were as follows:

	2009	2008
	HK$'000	*HK$'000*
Salaries and other benefits	**1,382**	1,140
Performance related incentive payments	**–**	265
Retirement benefit scheme contributions	**35**	70
Total emoluments	**1,417**	1,475

Each of their emoluments was within HK$1,000,000 for both years.

12. DIVIDENDS

Dividends recognised as distributions during the year:

	2009	2008
	HK$'000	*HK$'000*
Final dividend HK1 cent per share for 2008 paid in October 2008 (2008: HK1 cent for 2007)	**10,112**	10,436
Special dividend HK2 cents per share for 2009 paid in January 2009 (2008: nil)	**20,223**	–
	30,335	10,436

The directors of the Company have also proposed a final dividend of HK1 cent (2008: HK1 cent) per ordinary share and is subject to approval by the shareholders in the forthcoming general meeting.

13. (LOSS) EARNING PER SHARE

The calculation of the basic (loss) earning per share attributable to the ordinary equity holders of the Company is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
(Loss) earning attributable to equity holders of the Company for the purpose of basic (loss) earning per share	**(38,252)**	10,978

	Number of shares	
	2009	2008
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic (loss) earning per share	**1,011,156**	1,036,488

No diluted (loss) earning per share have been presented for both years as there were no potential ordinary shares in issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold and leasehold properties HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Plant and machinery HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1st April, 2007	18,131	29,069	12,627	276,391	4,327	31,198	371,743
Exchange realignment	–	20	137	–	80	6,442	6,679
Additions	–	529	957	7,107	1,075	75,246	84,914
Disposals	–	(631)	(331)	(17,971)	–	–	(18,933)
Transfers	–	2,712	341	3,952	–	(7,005)	–
At 31st March, 2008 and 1st April, 2008	18,131	31,699	13,731	269,479	5,482	105,881	444,403
Exchange realignment	–	(15)	(52)	1	(8)	2,336	2,262
Additions	–	51	2,216	3,348	693	163,328	169,636
Disposals	–	–	–	(16)	(194)	–	(210)
Deemed disposal of a subsidiary	–	–	(2,259)	(355)	(1,406)	(265,586)	(269,606)
Transfers	–	413	54	3,774	–	(4,241)	–
At 31st March, 2009	18,131	32,148	13,690	276,231	4,567	1,718	346,485
DEPRECIATION AND AMORTISATION							
At 1st April, 2007	5,248	17,892	6,814	169,642	3,141	–	202,737
Exchange realignment	–	11	68	–	23	–	102
Provided for the year	828	3,751	1,933	30,098	813	–	37,423
Eliminated on disposals	–	(670)	(321)	(17,305)	–	–	(18,296)
At 31st March, 2008 and 1st April, 2008	6,076	20,984	8,494	182,435	3,977	–	221,966
Exchange realignment	–	(9)	(52)	–	(10)	–	(71)
Provided for the year	828	3,593	1,814	29,597	483	–	36,315
Eliminated on disposals	–	–	–	(14)	(194)	–	(208)
Eliminated on deemed disposal of a subsidiary	–	–	(204)	(3)	(247)	–	(454)
At 31st March, 2009	6,904	24,568	10,052	212,015	4,009	–	257,548
CARRYING VALUES							
At 31st March, 2009	11,227	7,580	3,638	64,216	558	1,718	88,937
At 31st March, 2008	12,055	10,715	5,237	87,044	1,505	105,881	222,437

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold properties	Over the shorter of the lease term or 20 years, whichever is shorter
Furniture and fixtures	10 – 25%
Office equipment	15 – 25%
Plant and machinery	10 – 25%
Motor vehicles	10 – 20%

The carrying value of the properties shown above comprises:

	2009	2008
	HK$'000	*HK$'000*
Properties in Hong Kong held under medium-term leases	**3,532**	3,710
Properties outside Hong Kong held under:		
Freehold	**872**	909
Medium-term leases	**6,823**	7,436
	11,227	12,055

15. PREPAID LEASE PAYMENT

	2009	2008
	HK$'000	*HK$'000*
The prepaid lease payments comprises:		
Medium-term leasehold land outside Hong Kong	**–**	23,259
Analysed of reporting purposes as:		
Current assets	**–**	475
Non-current assets	**–**	22,784
	–	23,259

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

16. INTERESTS IN ASSOCIATES

	2009	2008
	HK$'000	*HK$'000*
Cost of unlisted investment in associates	**245,410**	40,000
Share of post-acquisition reserve	**(62,156)**	(19,466)
	183,254	20,534

Details of the Group's principal associates as at 31st March, 2009 and 2008 were as follows:

Name	Form of business	Place of incorporation or registration/ operation	Proportion of nominal value of issued capital held by the Group as at 31st March 2009	Paid up share/ registered capital	Principal activities
Crown Capital Holdings Limited ("Crown Capital") *(Note (a))*	Incorporated	The BVI	47.05%	US$8,502	Investment holding
Kunshan Visionox Display Company Limited ("Kunshan Visionox") 昆山維信諾顯示技術有限公司	Sino-foreign cooperate joint venture	The PRC	41.82% *(Note (b))*	RMB410,000,000	Development, manufacturing and selling of organic light products emitted display ("OLED") products

Note: (a) The Company owns 47.05% (2008: 47.05%) of the nominal value of issued capital of Crown Capital. Crown Capital owns 73.22% in Beijing Visionox Technology Company Limited ("Beijing Visionox"), a sino-foreign cooperate joint venture established in the PRC. Beijing Visionox is engaged in development, manufacturing and marketing of OLED products. Beijing Visionox is effectively held by the Group by 34.45%.

(b) Kunshan Visionox, a 47.50% subsidiary of the Group at 31st March, 2008, underwent a restructuring during the year. Subsequent to the restructuring, Kunshan Visionox becomes an associate of the Group and its result has been include in interests in associates. Details of the restructuring of Kunshan Visionox are included in note 29.

Included in the share of loss of associates for the year ended 31st March, 2009 is share of impairment loss of intangible assets due to the slower-than-expected development of the OLED market.

16. INTERESTS IN ASSOCIATES (continued)

The summarised financial information of the Group's associates which is accounted for using equity method is set out below:

Financial position

	2009 HK$'000	2008 HK$'000
Total assets	**651,566**	102,217
Total liabilities	**(275,757)**	(63,326)
Net assets	**375,809**	38,891
Net assets attributable to the Group	**183,254**	18,298

Results for the year

	2009 HK$'000	2008 HK$'000
Revenue	**12,366**	4,618
Loss for the year	**(104,601)**	(11,642)
Loss for the year attributable to the Group	**(40,677)**	(5,478)

Note: Kunshan Visionox contributed loss of approximately HK$21,999,000 to the Group's share of results of associates after it has become an associate of the Group.

The Group has discontinued recognition of its share of losses of an associate. The amounts of unrecognised share of loss of the associate, extracted from the relevant management account of the associate, both for the year and cumulatively are as follows:

	2009 HK$'000	2008 HK$'000
Unrecognised share of loss of an associate for the year	**3,399**	–
Accumulated unrecognised share of losses of an associate	**3,399**	–

The amount due from and to an associate is unsecured, interest-free and is repayable on demand.

In the opinion of the directors, the amount due from and to an associate will be repaid within twelve months from the balance sheet date. Accordingly, it is shown as a current asset in the consolidated financial statements.

17. INTEREST IN A JOINTLY CONTROLLED ENTITY

	2009 HK$'000	2008 HK$'000
Cost of unlisted investment in a jointly controlled entity	**95,840**	95,840
Share of post-acquisition reserve, net of dividend	**70,257**	41,329
	166,097	137,169

At 31st March, 2009 and 2008, the Group had interest in the following jointly controlled entity:

Name of entity	Form of business structure	Place of registration and operation	Proportion of nominal value of issued capital held by the Group	Principal activities
Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai")	Incorporated	The PRC	50%	Manufacturing and trading of aluminum electrolytic capacitors

The summarised financial information of the Group's interest in a jointly controlled entity which is accounted for using the equity method is set out below.

	2009 HK$'000	2008 HK$'000
Current assets	**175,861**	163,803
Non-current assets	**155,224**	117,799
Current liabilities	**143,096**	134,886
Non-current liabilities	**21,892**	9,547
Revenue	**296,973**	253,184
Expense	**271,715**	227,990

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

18. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2009 HK$'000	2008 HK$'000
Listed equity securities outside Hong Kong	–	–
Unlisted equity securities	2,739	1,402
	2,739	1,402

During the year ended 31st March, 2008, full impairment loss had been made on the listed equity securities outside Hong Kong as a result of a significant decline in the fair value of the investment below its cost and the investee had applied for protection pursuant to the provisions under the Companies' Creditors Arrangement Acts in Canada. The listed equity securities were denominated in Canadian dollars. The investee had been delisted from the Toronto Stock Exchange on 3rd December, 2008. As at 31st March, 2009, the Group's attributable equity interest in the investee remained unchanged.

The unlisted investment represents investments in equity interest of a private entity in the PRC. It is measured at cost less impairment at the balance sheet date as the directors of the Company are of the opinion that their fair values cannot be measured reliably. No impairment was identified on this unlisted equity securities at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

19. INTANGIBLE ASSET

	Club memberships	Development projects	Patents	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
COST				
At 1st April, 2007	1,459	6,061	4,040	11,560
Exchange realignment	–	596	397	993
At 31st March, 2008 and 1st April, 2008	1,459	6,657	4,437	12,553
Exchange realignment	–	148	99	247
Deemed disposal of a subsidiary	–	(6,805)	(4,536)	(11,341)
At 31st March, 2009	1,459	–	–	1,459
AMORTISATION				
At 1st April, 2007	–	–	766	766
Exchange realignment	–	69	122	191
Charge for the year	–	1,262	841	2,103
At 31st March, 2008 and 1st April, 2008	–	1,331	1,729	3,060
Exchange realignment	–	31	40	71
Charge for the year	–	678	453	1,131
Eliminated on deemed disposal of a subsidiary	–	(2,040)	(2,222)	(4,262)
At 31st March, 2009	–	–	–	–
CARRYING VALUES				
At 31st March, 2009	1,459	–	–	1,459
At 31st March, 2008	1,459	5,326	2,708	9,493

The development projects relating to OLED technologies and patents are acquired from an associate for production.

19. INTANGIBLE ASSET (continued)

The development project and patents have definite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Development projects	5 years
Patents	5 years

The club memberships have indefinite useful lives.

The club memberships currently have second hand market and have no foreseeable limit to their useful lives. The directors of the Company are in the opinion that the Group will continue to hold the club memberships and has the ability to do so. The club memberships have been tested for impairment in the current year by reference to their second hand market values and no impairment loss has been identified for the current year.

20. INVENTORIES

	2009	2008
	HK$'000	*HK$'000*
Raw materials	**27,401**	56,174
Work in progress	**11,632**	18,814
Finished goods	**19,481**	29,563
	58,514	104,551

21. TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**62,618**	81,400
Other receivables	**6,881**	11,775
Deposits	**135**	1,441
Prepayments	**958**	1,281
	70,592	95,897

The Group has a policy of allowing credit periods ranging from 30 days to 120 days. Trade receivables that were neither past due nor impaired are related to a number of independent customers that have a good track record with the Group.

21. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis by due date of trade receivables net of allowance for doubtful debts at the balance sheet date:

	2009 HK$'000	2008 HK$'000
Current	**44,221**	49,164
1 – 30 days	**18,006**	26,490
31 – 60 days	**391**	3,611
61 – 90 days	**–**	2,135
	62,618	81,400

Before accepting any new customer, the Group would assess the potential customer's credit quality and define corresponding credit limits.

Ageing of trade receivables which are past due but not impaired:

	2009 HK$'000	2008 HK$'000
1 – 30 days	**18,006**	26,490
31 – 60 days	**391**	3,611
61 – 90 days	**–**	2,135
	18,397	32,236

Included in the Group's trade receivable balance are debtors with a carrying amount of approximately HK$18,397,000 (2008: HK$32,236,000) which are past due at the reporting date for which the Group has not provided for impairment loss as the directors assessed that the balances will be recovered based on their settlement records. The Group does not hold any collateral over these balances.

Movement in the allowance for doubtful debts

	2009 HK$'000	2008 HK$'000
Balance at beginning of the year	**13,115**	13,085
Currency realignment	**(100)**	88
Impairment losses recognised	**7,899**	4,347
Amounts written off	**(2,263)**	(4,405)
Balance at end of the year	**18,651**	13,115

Included in the allowance for doubtful debts are individually impaired trade and other receivables with a balance of HK$18,651,000 (2008: HK$13,115,000) which have delinquent payments. The Group does not hold any collateral over these balances.

22. BILLS RECEIVABLE

All the Group's bills receivable at 31st March, 2008 and 2009 were due within 90 days.

23. BANK BALANCES AND CASH/PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Bank balances are interest bearing at respective saving deposits rate in Hong Kong and in the PRC, and the effective interest rate of the Group's bank balances ranged from 0.01% to 3.88% (2008: 0.1% to 3.33%) per annum.

At 31st March, 2008, time deposits amounting to approximately HK$144,711,000 were mainly denominated in United States dollars, other than the functional currency of respective group entities, and were pledged to banks for securing purchases of certain machinery and equipments. The pledged bank deposits carried interest rate ranging from 2.25% to 3.87% per annum.

24. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

	2009 ***HK$'000***	2008 *HK$'000*
Trade payables	**38,491**	61,574
Accrued charges	**32,159**	38,336
Other payables	**19,251**	34,244
	89,901	134,154
Amount analysed for reporting purposes as:		
Trade and other payables	**88,972**	128,741
Bills payable	**929**	5,413
	89,901	134,154

The following is an aged analysis by invoice date of trade payables at the balance sheet date:

	2009 ***HK$'000***	2008 *HK$'000*
Up to 30 days	**15,053**	19,902
31 – 60 days	**8,431**	11,409
61 – 90 days	**5,287**	14,515
91 – 120 days	**3,333**	7,967
Over 120 days	**6,387**	7,781
	38,491	61,574

All the Group's bills payables as at 31st March, 2008 and 2009 were due within 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. DEFERRED INCOME

At 31st March, 2008, the deferred income represented government subsidy of certain technological development projects.

26. GOVERNMENT LOAN

At 31st March, 2008, government loan at a carrying amount of approximately HK$9,768,000 which would be repaid in January 2010 had been obtained from the PRC government for certain technological development projects. The loan was bearing a below market interest rate.

27. DEFERRED TAXATION

The deferred tax liabilities (assets) recognised and movements thereon during the current and prior years are as follows:

	Undistributed profits in a jointly controlled entity	Accelerated tax depreciation	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2007	–	647	(647)	–
Charge (credit) to consolidated income statement for the year	–	(102)	102	–
At 31st March, 2008 and 1st April, 2008	–	545	(545)	–
Charge (credit) to consolidated income statement for the year	1,263	(217)	217	1,263
At 31st March, 2009	1,263	328	(328)	1,263

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	2009	2008
	HK$'000	*HK$'000*
Deferred tax assets	**–**	–
Deferred tax liabilities	**(1,263)**	–
	(1,263)	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

27. DEFERRED TAXATION (continued)

At the balance sheet date, the Group had unused tax losses of HK$17 million (2008: HK$10.8 million) and temporary differences on allowance for receivables of HK$16.3 million (2008: HK$12.3 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$2 million (2008: HK$3.1 million) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of HK$15 million (2008: HK$7.7 million) and temporary differences on allowance for trade and other receivables of HK$16.3 million (2008: HK$12.3 million) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

28. SHARE CAPITAL

	Number of shares		Share Capital	
	2009	**2008**	**2009**	**2008**
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised				
2,000 million ordinary shares of HK$0.20 each	**2,000,000**	2,000,000	**400,000**	400,000
Issued and fully paid				
At beginning of the year	**1,011,156**	1,043,564	**202,231**	208,713
Share repurchased	**–**	(32,408)	**–**	(6,482)
At end of the year	**1,011,156**	1,011,156	**202,231**	202,231

During the year ended 31st March, 2008, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	**No. of ordinary shares of HK$0.20 each**	**Price per share Highest**	**Price per share Lowest**	**Aggregate consideration paid**
	'000	*HK$*	*HK$*	*HK$'000*
January 2008	32,408	0.63	0.63	20,540

The above shares were cancelled upon repurchases.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st March, 2009 and 2008.

29. DEEMED DISPOSAL OF A SUBSIDIARY

During the year, the Group entered into a series of agreements in relation to the restructuring of an indirectly owned subsidiary, Kunshan Visionox, which is principally engaged in development, manufacturing, and selling of OLEDs products ("Restructuring Agreements").

Prior to the restructuring, the Group owned a 47.50% interest in Kunshan Visionox which was accounted for as a subsidiary because the Group had the power to control the board of directors and operations by holding two options to acquire the remaining 52.50% registered capital in Kunshan Visionox ("the Options").

Pursuant to the Restructuring Agreements, the Options were cancelled and the Group no longer has the power to control the board of directors and operations of Kunshan Visionox. Therefore, Kunshan Visionox is no longer accounted for as a subsidiary of the Group and has become an associate.

In addition, there would be changes in the registered capital of Kunshan Visionox as follows:

(1) Shenzhen Leaguer Venture Capital Co., Limited ("Shenzhen Leaguer"), which had agreed to contribute RMB90,000,000 to the registered capital of Kunshan Visionox in accordance to the initial joint venture agreement related to Kunshan, Visionox would rescind from the said joint venture agreement. Shenzhen Leaguer would give up all its rights, and other equity holders of Kunshan Visionox would release it from all its obligations in the initial joint venture agreement;

(2) Kunshan Industrial Assets Management Company Limited ("Kunshan Industrial"), which owned 30% interest or RMB120,000,000 of the registered capital in Kunshan Visionox prior to the restructuring, would contribute a further RMB200,000,000 in cash for an equal amount in the registered capital of Kunshan Visionox;

(3) The Group would contribute a further RMB40,000,000 in cash for an equal amount in the registered capital of Kunshan Visionox.

The relevant approval procedures from the regulatory authorities in relation to the increase in registered capital in Kunshan Visionox have been approved and the revised company's bye-laws of Kunshan Visionox have been filed with the relevant regulatory authorities during the year. Accordingly, the Group's interest in Kunshan Visionox has been diluted from 47.50% to 41.82%, resulting in a gain on deemed disposal of a subsidiary of HK$4,235,000.

As at 31st March, 2009, the Group has not made the RMB40,000,000 (equivalent to HK$45,324,000) further capital contribution to Kunshan Visionox and the amount is included as a commitment of the Group in note 32.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

29. DEEMED DISPOSAL OF A SUBSIDIARY (continued)

The net assets of Kunshan Visionox as at the date of deemed disposal was as follows:

	HK$'000
Property, plant and equipment	269,152
Prepayment for acquisition of plant and equipment	541
Prepaid lease payment	23,545
Intangible assets	7,079
Prepayment to an associate	32,889
Inventories	623
Trade and other receivables	10,909
Amount due from an associate	19,166
Pledged bank deposits	38,705
Bank balances and cash	6,325
Trade payables	(585)
Other payables	(190)
Amounts due to group companies	(17,012)
Amount due to a related company	(2,268)
Deferred income	(28,514)
Government loan	(10,314)
Bank borrowings	(22,682)
Net assets disposed of	327,369
Minority interests	(123,349)
Translation reserve realised	(2,845)
	201,175
Gain on deemed disposal	4,235
Total consideration	205,410
Satisfied by:	
Interest in an associate	205,410
Net cash outflow arising on deemed disposal:	
Bank balances and cash disposed of	(6,325)

30. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years. The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall structure through the payment of dividends, new share issues and share repurchases as well as the issue of new debt or the redemption of existing debt.

31. FINANCIAL INSTRUMENTS

31a. Categories of financial instruments

	2009	2008
	HK$'000	*HK$'000*
Financial assets		
Loans and receivables (including cash and cash equivalents)		
Trade and other receivables	**69,499**	93,175
Bills receivable	**4,328**	888
Pledged bank deposits	**–**	144,711
Bank balances and cash	**62,664**	84,776
Dividend receivable from a jointly controlled entity	**37,959**	37,165
Amount due from an associate	**65**	20,478
	174,515	381,193
Available-for-sale investments	**2,739**	1,402

	2009	2008
	HK$'000	*HK$'000*
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**56,813**	90,405
Bills payable	**929**	5,413
Amount due to an associate	**1,391**	1,891
Government loan	**–**	9,768
	59,133	107,477

31. FINANCIAL INSTRUMENTS (continued)

31b. Financial risk management and policies

The executive management provides risk management advice to the business units, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using natural hedges to mitigate these risk exposures. The group has formulated policies on foreign currency risk, credit risk and liquidity risk and non-derivative financial instruments, and the investment of excess liquidity. Compliance with such policies is reviewed by the executive management on a continuous basis. The Group does not enter into or trade derivative financial instruments for speculative purposes.

Foreign currency risk management

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 66%(2008: 66%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale, whilst approximately 17% (2008: 18%) of purchases of raw materials are denominated in the respective entity's functional currencies.

The carrying amounts of the Group's significant monetary assets and monetary liabilities denominated at the currencies other than the functional currency of the relevant Group entity at the reporting date are as follows:

	Assets		Liabilities	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States dollars ("USD")	**–**	144,805	**–**	46,413
Renminbi ("RMB")	**20,284**	21,739	**25,389**	44,499

Monetary assets denominated in foreign currencies mainly represented pledged bank deposits and trade and other receivables, while monetary liabilities denominated in foreign currencies mainly represented trade and other payables.

31. FINANCIAL INSTRUMENTS (continued)

31b. Financial risk management and policies (continued)

Foreign currency risk management (continued)

Sensitivity analysis

The Group is mainly exposed to the effect of exchange rate fluctuation in RMB and USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant Group entities against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes current account with foreign operations within the Group where denomination of the balances is in a currency other than the currency of the lender or the borrower. A positive number below indicates an increase in profit for the year where the functional currencies of the relevant subsidiaries strengthen 5% against relevant currency with tax impact considered. For a 5% weakening of the functional currencies of the relevant group entities against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be negative.

	2009	2008
	HK$'000	*HK$'000*
Profit (loss) for the year		
USD	**–**	(4,058)(i)
RMB	**213**	939(ii)

(i) This is mainly attributable to the exposure outstanding on USD bank deposits held by Kunshan Visionox, a subsidiary of the Group as at 31st March, 2008. The functional currency of Kunshan Visionox is RMB, so the financial assets and financial liabilities denominated in USD were exposed to foreign currency risk. In current year, Kunshan Visionox has been deemed disposed of and no significant exposure in USD is noted as at 31st March, 2009.

For the group entities with functional currency in Hong Kong Dollars ("HKD"), as HKD is pegged to USD, the exposure of fluctuation in exchange risk of HKD against USD is not considered significant and thus the effect is not considered in the sensitivity analysis.

(ii) This is mainly attributable to the exposure outstanding on RMB receivables and payables at year end against HKD.

The Group's sensitivity to foreign currency rate fluctuation has decreased in current year mainly due to the deconsolidation of a subsidiary, Kunshan Visionox during the year. The exposure in USD at 31st March, 2008 was contributed by the USD bank deposits of Kunshan Visionox.

31. FINANCIAL INSTRUMENTS (continued)

31b. Financial risk management and policies (continued)

Interest rate risk management

The Group is exposed to cash flow interest rate risk in relation to bank deposits. The management considers the Group's exposure to interest rate risk is insignificant and accordingly, no sensitivity analysis is presented.

Credit risk management

As at 31st March, 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group is arising from:

- the carrying amount of the respective recognised financial assets as stated in the consolidated balance sheet; and

- the amount of contingent liabilities in relation to financial guarantee issued by the Group as disclosed in note 33.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt and debt investments at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The credit risk on dividend receivable from a jointly controlled entity is limited as the directors of the Company consider the counter party is of good financial standing and have good prospects.

The Group has concentration of credit risk as 22% (2008: 17%) of the total trade and bills receivables was due from the Group's five largest debtors within the LCDs and LCMs business segment. The Group will monitor the level of exposures to ensure that follow up actions and/or corrective are taken promptly to lower the risk exposure or to recover the overdue balances. Other than the above, the Group has no other significant concentration risks, with exposures spread over a large number of counterparties and customers.

31. FINANCIAL INSTRUMENTS (continued)

31b. Financial Risk Management and Policies (continued)

Liquidity risk management

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of banking facilities and ensures compliance with loan covenants.

As at 31st March, 2009, the Group's banking facilities amounted to approximately HK$165,100,000 (2008: HK$406,611,000) of which approximately HK$2,179,000 (2008: HK$153,468,000) were utilized for issuance of letters of credit and bills payable. The drop in banking facilities was mainly due to the exclusion of Kunshan Visionox's banking facilities as it has become an associated company as at the balance sheet date.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Effective interest rate	Repayable on demand or less than 3 months	3 months to 1 year	1-2 years	Total undiscounted cash flows	Total carrying amount at 31,3.2009
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2009						
Non-derivative financial liabilities						
Trade and other payables	–	56,813	–	–	56,813	56,813
Bills payable	–	929	–	–	929	929
Amount due to an associate	–	1,391	–	–	1,391	1,391
		59,133	–	–	59,133	59,133

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

31. FINANCIAL INSTRUMENTS (continued)

31b. Financial Risk Management and Policies (continued)

Liquidity risk management (continued)

Liquidity tables (continued)

	Effective interest rate	Repayable on demand or less than 3 months	3 months to 1 year	1-2 years	Total undiscounted cash flows	Total carrying amount at 31,3.2008
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2008						
Non-derivative financial liabilities						
Trade and other payables	0 – 6.57	88,256	2,219	–	90,475	90,405
Bills payable	–	5,413	–	–	5,413	5,413
Amount due to an associate	–	1,891	–	–	1,891	1,891
Government loan	1.00	28	83	11,186	11,297	9,768
		95,588	2,302	11,186	109,076	107,477

31c. Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

32. CAPITAL COMMITMENT

	2009	2008
	HK$'000	*HK$'000*
Expenditure contracted for but not provided in the financial statements in respect of:		
– Acquisition of plant and machinery	**254**	165,307
– Acquisition of intangible assets	**–**	4,438
– Further capital contribution to an associate *(note 29)*	**45,324**	–
	45,578	169,745
Capital expenditure in respect of acquisition of property, plant and machinery authorised for but not contracted	**–**	52,308

33. CONTINGENT LIABILITIES

The following contingent liabilities arise from the Group's interest in a jointly controlled entity:

	2009	2008
	HK$'000	*HK$'000*
Share of contingent liability of a jointly controlled entity arising from guarantees given to banks in respect of bank facilities to		
– a supplier	**21,500**	29,500
– jointly controlled entities	**15,000**	11,000
	36,500	40,500

The directors considered that the fair value of the financial guarantees is insignificant.

34. OPERATING LEASE COMMITMENT

As lessee

Minimum lease payments paid under operating leases for rented premises during the year amounted to approximately HK$4,154,000 (2008: HK$4,824,000).

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2009	2008
	HK$'000	*HK$'000*
Within one year	**1,944**	2,329
In the second to fifth year inclusive	**3,794**	3,557
Over the fifth year	**177**	1,099
	5,915	6,985

Operating lease payments represent rentals payable by the Group for certain of its factories and office properties. Leases are negotiated and rentals are fixed for an average term of four years.

35. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of the relevant payroll costs to the MPF Scheme, which contribution is matched by employees.

The retirement benefit scheme contributions arising from the MPF Scheme charged to the consolidated income statement represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government in the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to the consolidated income statement of approximately HK$2,670,000 (2008: HK$2,953,000) after forfeited contributions utilised in the MPF Scheme of approximately HK$130,000 (2008: HK$25,000) represents contributions payable to these schemes by the Group in respect of the current year.

36. RELATED PARTY TRANSACTIONS

During the year, the Group had the following transactions with an associate:

	2009	2008
	HK$'000	*HK$'000*
Nature of transactions		
Accountancy service income	**360**	360

Compensation of key management personnel

The remuneration of directors and other member of key management during the year was as follows:

	2009	2008
	HK$'000	*HK$'000*
Short-term benefits	**4,037**	4,269
Post-employment benefits	**114**	119
	4,151	4,388

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individual and market trends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31st March, 2009 and 2008 were as follows:

Name of subsidiary	Legal form of business	Place of incorporation or registration/ operations	Issued and fully paid up share/registered capital	Percentage of nominal value of issued share/registered capital held by the Company	Principal activities
Billion Power Investment Limited	Incorporated	Hong Kong	HK$1	100%	Investment holding
Jiangmen Yeebo Electronic Technology Ltd. 江門億都電子科技有限公司	Wholly-owned foreign enterprise	The PRC	US$5,000,000 registered capital	100%	Manufacture of LCMs
Jiangmen Yeebo Semiconductor Co., Ltd. 江門億都半導體有限公司	Wholly-owned foreign enterprise	The PRC	US$9,307,000 registered capital	100% *(Note a)*	Manufacture of LCDs
Yeebo (B.V.I.) Limited	Incorporated	BVI	US$8,100	100%	Investment holding
Yeebo Investment Limited	Incorporated	Malaysia	US$1	100%	Investment holding
Yeebo LCD Limited	Incorporated	Hong Kong	HK$10,000	100%	Development and trading of LCDs and LCMs and investment holding
Yeebo Manufacturing Limited	Incorporated	Hong Kong	HK$10,000	100%	Development and trading of LCDs and LCMs
Kunshan Visionox Display Company Limited ("Kunshan Visionox") 昆山維信諾顯示技術有限公司	Sino-foreign corporate joint venture	The PRC	RMB310,000,000 or HK$300,891,000 *(Note b)*	47.50% *(Note b)*	Development, manufacturing and selling of OLEDs

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31st March, 2009

37. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

Notes:

(a) Jiangmen Yeebo Semiconductor Co., Ltd. was established by the Group with certain independent third parties in the PRC as a sino-foreign co-operative joint venture. Under the subcontracting agreement, the Group is entitled to and responsible for all of their assets and liabilities and is entitled to all of net results of its operation. The Group therefore effectively has a 100% attributable economic interest in this subsidiary. In November 2007, the subsidiary has become a wholly owned foreign enterprise and is then a wholly owned subsidiary of the Group.

(b) Kunshan Visionox was accounted for as a subsidiary until the cancellation of the Options as detailed in note 29 because the Group had the power to control on the board of directors and operation of Kunshan Visionox by holding the Options to acquire the remaining 52.50% interest in Kunshan Visionox in the first three years from 31st March, 2006 (the date of establishment). Kunshan Visionox has become an associate of the Group upon the cancellation of the Options during the year. The paid up registered share capital of Kunshan Vivinox at 31st March, 2009 was RMB410,000,000 (2008: RMB310,000,000). Subsequent to the restructuring activities mentioned in note 29, the Group's interest in Kunshan Visionox has decreased from 47.50% to 41.82%.

The above table only includes those subsidiaries which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of all subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Except for Yeebo (B.V.I.) Limited and Billion Power Investment Limited which are directly owned subsidiaries, all of the remaining subsidiaries are indirectly owned by the Company.

None of the subsidiaries had any debt capital outstanding at the end of the year or at any time during the year.

FINANCIAL SUMMARY

RESULTS

	Year ended 31st March,				
	2005	2006	2007	2008	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Turnover	387,293	391,242	456,287	680,973	**515,002**
Profit (loss) before income tax	193,424	37,161	29,090	6,392	**(40,991)**
Income tax expense	(930)	(1,853)	(3,088)	(3,916)	**(1,637)**
Profit (loss) for the year	192,494	35,308	26,002	2,476	**(42,628)**
Attributable to:					
Equity holders of the Company	192,494	36,186	25,386	10,978	**(38,252)**
Minority interests	–	(878)	616	(8,502)	**(4,376)**
	192,494	35,308	26,002	2,476	**(42,628)**

ASSETS AND LIABILITIES

	At 31st March,				
	2005	2006	2007	2008	**2009**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Assets and liabilities					
Total assets	678,860	805,991	930,362	935,515	**676,730**
Total liabilities	(103,266)	(180,543)	(193,926)	(171,442)	**(99,555)**
	575,594	625,448	736,436	764,073	**577,175**
Equity attributable to equity holders of the Company	575,594	625,448	614,499	639,120	**577,175**
Minority interests	–	–	121,937	124,953	**–**
	575,594	625,448	736,436	764,073	**577,175**