



Same Time Holdings Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 451

Interim Report

2009

CORPORATE INFORMATION

Directors

Executive Directors

Mr YIP Sum Yin (*Chairman*)

Madam YU Hung Min

Madam YU Pei Yi

Independent Non-Executive Directors

Mr LAI Wing Leung, Peter

Mr LAM Kwok Cheong

Madam LEE Mei Ling

Chief Executive Officer

Mr YIP How Yin, Maurice

Company Secretary

Madam SHIU Man Ching

Registered Office

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Principal Office

17th Floor, Phase I

Kingsford Industrial Building

26-32 Kwai Hei Street

Kwai Chung

New Territories

Hong Kong

Auditor

PricewaterhouseCoopers

Certified Public Accountants

Principal Bankers

Bank of China Limited

China Construction Bank Corporation

The Hongkong and Shanghai Banking
Corporation Limited

Hang Seng Bank Limited

Standard Chartered Bank (HK) Limited

DBS Bank (Hong Kong) Limited

Dah Sing Bank, Limited

Wing Hang Bank, Limited

Hong Kong Legal Adviser

Jennifer Cheung & Co.

Bermuda Legal Adviser

Appleby

Principal Registrar and Transfer Office

The Bank of Bermuda Limited

6 Front Street

Hamilton HM 11

Bermuda

Hong Kong Branch Registrar and Transfer Office

Tricor Abacus Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

INTERIM RESULTS

The Board of Directors (the "Directors") of Same Time Holdings Limited (the "Company") is pleased to present the unaudited condensed consolidated interim financial information ("Interim Financial Information") of the Company and its subsidiaries (together, the "Group") for the six months ended 30 September 2009.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

	Note	Six months ended 30 September	
		2009 HK\$	2008 HK\$
Revenue	4	470,870,617	595,781,583
Cost of sales		(401,238,687)	(505,374,193)
Gross profit		69,631,930	90,407,390
Other operating income	5	4,767,915	1,799,173
Distribution and marketing costs		(8,740,738)	(10,978,435)
Administrative expenses		(47,560,884)	(44,474,706)
Other operating expenses		(1,396,356)	(1,898,732)
Operating profit	6	16,701,867	34,854,690
Finance income		28,541	93,162
Finance costs		(10,497,490)	(9,374,424)
Profit before income tax		6,232,918	25,573,428
Income tax expense	7	(3,870,265)	(5,813,027)
Profit attributable to shareholders		2,362,653	19,760,401
Other comprehensive income for the period, net of tax			
Currency translation differences		749,965	24,983,171
Total comprehensive income attributable to shareholders		3,112,618	44,743,572
Earnings per share (basic and diluted)	9	4 cents	35 cents

The notes on pages 6 to 19 form an integral part of this Interim Financial Information.

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2009**

	Note	30 September 2009 HK\$	31 March 2009 HK\$
ASSETS			
Non-current assets			
Property, plant and equipment	10	866,052,328	814,192,685
Leasehold land and land use rights	10	24,388,468	24,675,999
Investment property	10	321,875	326,572
Other non-current asset		350,000	350,000
		891,112,671	839,545,256
Current assets			
Inventories		99,306,210	110,289,841
Trade and other receivables	11	180,151,778	158,748,797
Derivative financial assets		162,705	1,426,036
Cash at banks and in hand		19,714,597	52,747,732
		299,335,290	323,212,406
Total assets		<u>1,190,447,961</u>	<u>1,162,757,662</u>
EQUITY			
Capital and reserves			
Share capital	14	5,691,852	5,691,852
Reserves		426,901,356	423,788,738
Total equity		<u>432,593,208</u>	<u>429,480,590</u>
LIABILITIES			
Non-current liabilities			
Borrowings	13	114,582,656	136,383,917
Deferred income tax liabilities		6,704,791	7,180,213
Deferred income		9,692,316	9,783,367
		130,979,763	153,347,497
Current liabilities			
Trade and other payables	12	345,966,159	312,719,436
Derivative financial liabilities		-	823,214
Borrowings	13	231,058,310	219,805,246
Current income tax liabilities		49,850,521	46,581,679
		626,874,990	579,929,575
Total liabilities		<u>757,854,753</u>	<u>733,277,072</u>
Total equity and liabilities		<u>1,190,447,961</u>	<u>1,162,757,662</u>
Net current liabilities		<u>327,539,700</u>	<u>256,717,169</u>
Total assets less current liabilities		<u>563,572,971</u>	<u>582,828,087</u>

The notes on pages 6 to 19 form an integral part of this Interim Financial Information.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

	Share capital HK\$	Share premium HK\$	Contributed surplus HK\$	Legal reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Total HK\$
At 1 April 2009	5,691,852	151,921,671	14,802,582	48,544	52,347,186	204,668,755	429,480,590
Total comprehensive income for the period	-	-	-	-	749,965	2,362,653	3,112,618
At 30 September 2009	5,691,852	151,921,671	14,802,582	48,544	53,097,151	207,031,408	432,593,208
At 1 April 2008	5,691,852	151,921,671	15,940,952	-	29,193,602	181,552,048	384,300,125
Total comprehensive income for the period	-	-	-	-	24,983,171	19,760,401	44,743,572
2008 Final dividend	-	-	(1,138,370)	-	-	-	(1,138,370)
At 30 September 2008	5,691,852	151,921,671	14,802,582	-	54,176,773	201,312,449	427,905,327

The notes on pages 6 to 19 form an integral part of this Interim Financial Information.

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Six months ended 30 September	
	2009 HK\$	2008 HK\$
Net cash generated from operating activities	76,376,247	145,231,307
Net cash used in investing activities	(94,692,293)	(124,326,770)
Net cash used in financing activities	(14,842,578)	(22,103,708)
Decrease in cash and cash equivalents	(33,158,624)	(1,199,171)
Cash and cash equivalents at the beginning of the period	52,747,732	70,587,894
Effect of foreign exchange rate changes	125,489	(3,531,924)
Cash and cash equivalents at the end of the period	<u>19,714,597</u>	<u>65,856,799</u>
Analysis of cash and cash equivalents:		
Cash at banks and in hand	19,714,597	65,864,773
Bank overdrafts	-	(7,974)
	<u>19,714,597</u>	<u>65,856,799</u>

The notes on pages 6 to 19 form an integral part of this Interim Financial Information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

The Company is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The address of its principal office is 17th Floor, Phase I, Kingsford Industrial Building, 26-32 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong.

The Group is principally engaged in the manufacturing and selling of consumer electronic products and printed circuit boards.

This Interim Financial Information is presented in Hong Kong dollars, unless otherwise stated. This Interim Financial Information has been approved for issue by the Board of Directors on 21 December 2009.

This Interim Financial Information has not been audited.

2 Basis of preparation

This Interim Financial Information for the six months ended 30 September 2009 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

This Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 March 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

As at 30 September 2009, the Group had net current liabilities of HK\$328 million. The directors of the Company have reviewed the Group's cash flows projection which is prepared based on the assumption that the Group's existing banking facilities will continue to be available or can be replaced by new facilities. Details of the Group's available banking facilities, the utilisation and the net book amount of assets pledged for such facilities as at 30 September 2009 are set out in the section headed "Liquidity and financial resources" under "Management discussion and analysis" below. As at 30 September 2009, the Group breached a bank loan covenant of a bank. The total facilities from the bank were HK\$27 million of which HK\$26 million was utilised as at 30 September 2009. Management considers that the facilities available from the bank are not material compared to the overall financial resources and banking facilities available to the Group for its operations nor will it have material effect to the Group's cash flow projection. Based on the renewed banking facilities up to the date of this Interim Financial Information and the flexibility for the Group to raise additional secured bank loans by pledging its property, plant and equipment which are currently free from encumbrances, the directors believe that the Group will have sufficient financial resources to finance its operations and be able to continue as a going concern in the foreseeable future. Consequently, the directors have prepared the Interim Financial Information on a going concern basis.

3 Accounting policies

Except as described below, the accounting policies adopted are consistent with those adopted and as described in the annual financial statements for the year ended 31 March 2009.

Taxes on income in the interim periods are accrued using the tax rates that will be applicable to the expected total annual earnings.

In the current period, the Group has adopted, for the first time, the following new or revised standards, amendments and interpretations ("new and revised HKFRSs") which are mandatory for the accounting periods beginning on 1 April 2009:

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

The adoption of the above new and revised HKFRSs does not have any significant impacts on the financial statements of the Group for the current or prior accounting periods except for the impact as described below.

HKAS 1 (Revised), "Presentation of financial statements"

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the results reported in the consolidated financial statements of the Group.

3 Accounting policies (Continued)

HKFRS 8, "Operating segments"

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 "Segment reporting", required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 4).

The Group has not early adopted the following new or revised standards, amendments or interpretations that have been issued but are not yet effective for the accounting period beginning on 1 April 2009:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKAS 24 (Revised)	Related party disclosures
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 32 (Amendment)	Financial instruments: presentation – classification of rights issues
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement on eligible hedged items
HKFRS 1 (Revised)	First-time adoption of HKFRS
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HKFRS 9	Financial instruments
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – Int 17	Distributions of non cash-assets to owners
HK(IFRIC) – Int 18	Transfers of assets from customers

The directors are in the process of reviewing the impact to the Group's financial statements in respect of the adoption of these standards, amendments and interpretations to existing standards.

4 Revenue and segment information

The Group has adopted HKFRS 8 "Operating segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard, HKAS 14 "Segment reporting", required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss. The Group's reportable segments under HKFRS 8 are therefore identical to the business segments under HKAS 14, namely:

Electronic products	–	manufacturing and selling of consumer electronic products
Printed circuit boards	–	manufacturing and selling of printed circuit boards

4 Revenue and segment information (Continued)

A segmental analysis of revenue and results for the period was as follows:

	Six months ended 30 September 2009		Group HK\$
	Electronic products HK\$	Printed circuit boards HK\$	
Revenue	23,783,384	447,087,233	470,870,617
Segment results	(2,878,980)	22,533,737	19,654,757
Unallocated income			1,175,810
Unallocated costs			(4,128,700)
Operating profit			16,701,867
Finance income	2,221	26,320	28,541
Finance costs	(44,502)	(10,452,988)	(10,497,490)
Profit before income tax			6,232,918
Income tax expense	-	(3,870,265)	(3,870,265)
Profit attributable to shareholders			2,362,653
Amortisation of leasehold land and land use rights	156,378	145,670	302,048
Bad debts written off	230,522	798,791	1,029,313
Depreciation	3,054,711	44,698,082	47,752,793
Net unrealised loss on derivatives, including in net gain on derivatives of HK\$1,044,554 (note 5)	-	552,117	552,117
Provision for slow moving and obsolete inventories	302,005	-	302,005

4 Revenue and segment information (Continued)

	Six months ended 30 September 2008		
	Electronic products	Printed circuit boards	Group
	HK\$	HK\$	HK\$
Revenue	56,286,170	539,495,413	595,781,583
Segment results	(1,732,514)	40,704,821	38,972,307
Unallocated income			364,565
Unallocated costs			(4,482,182)
Operating profit			34,854,690
Finance income	12,052	81,110	93,162
Finance costs	(156,012)	(9,218,412)	(9,374,424)
Profit before income tax			25,573,428
Income tax expense	(242,644)	(5,570,383)	(5,813,027)
Profit attributable to shareholders			19,760,401
Amortisation of leasehold land and land use rights	49,332	144,749	194,081
Bad debts written off	–	1,566,410	1,566,410
Depreciation	2,177,110	30,624,519	32,801,629
Net unrealised loss on derivatives, including in net loss on derivatives of HK\$311,972 (note 6)	–	420,656	420,656
Provision for slow moving and obsolete inventories	318,076	–	318,076

4 Revenue and segment information (Continued)

A segmental analysis of total assets was as follows:

	30 September 2009		Group HK\$
	Electronic products HK\$	Printed circuit boards HK\$	
Total segment assets	42,657,066	1,133,157,329	1,175,814,395
Derivative financial assets	-	162,705	162,705
Unallocated assets			14,470,861
Total assets			1,190,447,961
Total assets include:			
Addition to non-current assets (other than financial instruments)	572,575	98,217,790	98,790,365
		31 March 2009	
	Electronic products HK\$	Printed circuit boards HK\$	Group HK\$
Total segment assets	56,623,325	1,089,579,138	1,146,202,463
Derivative financial assets	-	1,426,036	1,426,036
Unallocated assets			15,129,163
Total assets			1,162,757,662
Total assets include:			
Addition to non-current assets (other than financial instruments)	6,404,935	319,774,099	326,179,034

The Group's operations are principally located in Hong Kong, Macao and Mainland China. The revenue from external customers in Hong Kong, Macao and Mainland China for the six months ended 30 September 2009 is HK\$300,627,913 (2008: HK\$403,366,791), and the total of its revenue from external customers in other countries is HK\$170,242,704 (2008: HK\$192,414,792).

4 Revenue and segment information (Continued)

At 30 September 2009 and 31 March 2009, all of the non-current assets are located in Hong Kong, Macao and Mainland China.

For the six months ended 30 September 2009, revenues of HK\$44,913,578 (2008: HK\$76,440,630) were derived from a single external customer. These revenues are attributable to the printed circuit boards products.

5 Other operating income

	Six months ended 30 September	
	2009	2008
	HK\$	HK\$
Amortisation of deferred income		
on government grants	102,157	–
Gain on disposal of property, plant and equipment	–	38,533
Net gain on derivatives (note 4)	1,044,554	–
Rental income	84,000	84,000
Sales of manufacturing by-products	3,196,334	1,461,017
Sundries	340,870	215,623
	4,767,915	1,799,173

6 Operating profit

	Six months ended 30 September	
	2009	2008
	HK\$	HK\$
Operating profit is stated after charging the following:		
Amortisation of leasehold land and land use rights	302,048	194,081
Bad debts written off	1,029,313	1,566,410
Cost of inventories sold	401,238,687	505,374,193
Depreciation:		
– Owned property, plant and equipment	32,590,455	25,398,202
– Leased property, plant and equipment	15,157,641	7,398,627
– Investment property	4,697	4,800
Net loss on derivatives (note 4)	–	311,972
Provision for slow moving and obsolete inventories	302,005	318,076

7 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 September	
	2009	2008
	HK\$	HK\$
Current income tax		
Hong Kong profits tax	4,345,687	6,106,760
Overseas taxation	-	169,684
	4,345,687	6,276,444
Deferred income tax		
Hong Kong profits tax	(475,422)	(463,417)
	3,870,265	5,813,027

The Hong Kong Inland Revenue Department (the "IRD") has questioned the basis of tax reporting for certain transactions adopted by certain subsidiaries of the Group in prior years. The matter has not been resolved with the IRD as at the date of approval of this Interim Financial Information. Additional provision for current income tax of approximately HK\$20.5 million and write back of deferred income tax liabilities of approximately HK\$8.3 million have been booked in respect of this matter in the Group's consolidated financial statements for the year ended 31 March 2008. These are based on management's estimates and may be different from the final outcome of the matter.

8 Dividend

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2009 (2008: Nil).

9 Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK\$2,362,653 (2008: HK\$19,760,401) and on 56,918,520 (2008: 56,918,520) ordinary shares in issue during the period.

As there are no potential ordinary shares in issue, there is no diluted earnings per share for both periods.

10 Capital expenditure

	Property, plant and equipment HK\$	Leasehold land and land use rights HK\$	Investment property HK\$	Total HK\$
Six months ended 30 September 2009				
Net book amount at 1 April 2009	814,192,685	24,675,999	326,572	839,195,256
Exchange differences	817,374	14,517	-	831,891
Additions	98,790,365	-	-	98,790,365
Amortisation/depreciation	(47,748,096)	(302,048)	(4,697)	(48,054,841)
Net book amount at 30 September 2009	866,052,328	24,388,468	321,875	890,762,671
Six months ended 30 September 2008				
Net book amount at 1 April 2008	533,450,283	24,649,173	335,963	558,435,419
Exchange differences	28,362,385	533,245	-	28,895,630
Additions	182,625,446	-	-	182,625,446
Amortisation/depreciation	(32,796,829)	(194,081)	(4,800)	(32,995,710)
Net book amount at 30 September 2008	711,641,285	24,988,337	331,163	736,960,785

- (a) At 30 September 2009, the net book amount of properties (including leasehold land and building) pledged as securities for the bank loans of the Group amounting to HK\$10,554,430 (31 March 2009: HK\$10,725,496).
- (b) At 30 September 2009, the net book amount of property, plant and equipment held by the Group under finance leases amounting to HK\$159,189,066 (31 March 2009: HK\$197,181,423).

11 Trade and other receivables

Included in trade and other receivables are trade receivables of HK\$129,118,540 (31 March 2009: HK\$105,821,602). The ageing analysis of trade receivables was as follows:

	30 September 2009 HK\$	31 March 2009 HK\$
0 – 2 months	105,683,469	66,062,395
3 – 4 months	20,998,131	24,422,753
5 – 6 months	1,554,372	7,653,159
7 – 8 months	324,452	4,439,496
Over 8 months	558,116	3,243,799
	<u>129,118,540</u>	<u>105,821,602</u>

Sales are made to customers with credit terms of 30 to 120 days.

12 Trade and other payables

Included in trade and other payables are trade payables of HK\$205,606,547 (31 March 2009: HK\$184,683,838). The ageing analysis of trade payables was as follows:

	30 September 2009 HK\$	31 March 2009 HK\$
0 – 2 months	111,276,896	87,193,220
3 – 4 months	57,929,633	61,110,740
5 – 6 months	25,776,619	32,354,327
7 – 8 months	8,545,909	3,667,526
Over 8 months	2,077,490	358,025
	<u>205,606,547</u>	<u>184,683,838</u>

13 Borrowings

	30 September 2009 HK\$	31 March 2009 HK\$
Non-current		
Long-term liabilities	114,582,656	136,383,917
Current		
Current portion of long-term liabilities	77,051,968	90,126,883
Short-term bank loans	154,006,342	129,678,363
	231,058,310	219,805,246
Total	345,640,966	356,189,163

Movements in borrowings are analysed as follows:

	Six months ended 30 September	
	2009 HK\$	2008 HK\$
At the beginning of the period	356,189,163	294,912,807
Exchange differences	196,309	1,358,787
New bank loans	24,252,694	81,736,189
Inception of finance leases	4,098,072	50,118,526
Repayments of borrowings	(39,095,272)	(97,571,062)
At the end of the period	345,640,966	330,555,247

14 Share capital

	Number of shares	Amount HK\$
Authorised:		
Ordinary shares of HK\$0.10 each		
At 1 April 2008, 31 March 2009 and 30 September 2009	700,000,000	70,000,000
	<u>700,000,000</u>	<u>70,000,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.10 each		
At 1 April 2008, 31 March 2009 and 30 September 2009	56,918,520	5,691,852
	<u>56,918,520</u>	<u>5,691,852</u>

15 Capital Commitments

	30 September 2009 HK\$	31 March 2009 HK\$
Contracted but not provided for		
Plant, machinery and leasehold improvements	51,255,410	112,233,767
Investments in subsidiaries	8,817,796	8,817,796
	<u>60,073,206</u>	<u>121,051,563</u>

16 Related party transactions*Key management compensation*

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 September	
	2009	2008
	HK\$	HK\$
Salaries and other short-term employee benefits	3,904,368	3,974,497
Pension costs	73,800	85,900
	3,978,168	4,060,397

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the six months ended 30 September 2009, the revenue of the Group amounted to HK\$470,870,617 (2008: HK\$595,781,583) representing a decrease of 21% compared with last corresponding period whereas the profit attributable to shareholders amounted to HK\$2,362,653 (2008: HK\$19,760,401) representing a decrease of 88% compared with last corresponding period.

Financial review

The Group is principally engaged in the manufacturing and selling of consumer electronic products and printed circuit boards.

The revenue for the six months ended 30 September 2009 and 2008 were as follows:

	Six months ended 30 September		
	2009 HK\$	2008 HK\$	Decrease %
Printed circuit boards	447,087,233	539,495,413	17
Electronic products	23,783,384	56,286,170	58
	470,870,617	595,781,583	21

In the current period, the total revenue from customers in Hong Kong, Macao and Mainland China represented 64% (2008: 68%) of the Group's total revenue.

Cost of sales

Cost of sales in the current period decreased to HK\$401,238,687 (2008: HK\$505,374,193) representing a decrease of 21% comparing to last corresponding period. The decrease was mainly due to:

1. the decrease in revenue during the period; and
2. the decrease in raw material cost.

Gross profit ratio

Gross profit ratio decreased from 15.2% to 14.8%, which was mainly due to the increase in depreciation of new factory in Jiangxi amounting to HK\$12,042,258 (2008: HK\$1,149,618).

Other operating income

Other operating income increased to HK\$4,767,915 (2008: HK\$1,799,173). The increase was mainly due to the sales of manufacturing by-products amounting to HK\$3,196,334 (2008: HK\$1,461,017).

Other operating expenses

Other operating expenses mainly included bad debts written off amounting to HK\$1,029,313 (2008: HK\$1,566,410) which represents 0.2% (2008: 0.3%) of total revenue.

Review of operations*Printed Circuit Boards Segment*

Sales decreased to HK\$447,087,233 (2008: HK\$539,495,413) which accounts for 95% (2008: 91%) of the Group's total revenue for the current period. The decrease was due to the adverse impact of global economic downturn. Segment result decreased to HK\$22,533,737 (2008: HK\$40,704,821) which was mainly due to the increase in depreciation of the new factory in Jiangxi.

Electronic Products Segment

Sales decreased to HK\$23,783,384 (2008: HK\$56,286,170) which accounts for 5% (2008: 9%) of the Group's total revenue for the current period. Segment result recorded a loss of HK\$2,878,980 (2008: HK\$1,732,514) which was also due to the global economic downturn.

Liquidity and financial resources

At 30 September 2009, the total borrowings of the Group, including obligations under finance leases, amounted to HK\$345,640,966 (31 March 2009: HK\$356,189,163) which were payable in Hong Kong dollars, Renminbi and United States dollars. The Group's gearing ratio at 30 September 2009, which was calculated as the ratio of all bank borrowings and long term loans less bank balances and cash to shareholders' funds, was 75% (31 March 2009: 71%).

Of the Group's total borrowings, HK\$231,058,310 (67%) is due within one year, HK\$65,237,751 (19%) is due in more than one year but not exceeding two years, and the remaining balance of HK\$49,344,905 (14%) is due in more than two years but not exceeding five years.

At 30 September 2009, the total banking facilities granted to the Group amounted to HK\$387,450,995 (31 March 2009: HK\$415,708,286) of which HK\$262,599,222 (31 March 2009: HK\$247,670,096) were utilised. Among the total facilities, banking facilities amounting to HK\$3,305,081 (31 March 2009: HK\$3,882,614) are secured by a legal charge on the Group's leasehold land and buildings with a net book amount of HK\$10,554,430 (31 March 2009: HK\$10,725,496).

One of the banking facilities granted to the Group has stipulated that the current ratio, which was calculated as consolidated current assets divided by consolidated current liabilities of the Group, should not be less than 0.85. At 30 September 2009, the Group breached such covenant. The total facilities from the bank were HK\$27 million of which HK\$26 million was utilised. Since the outstanding borrowings under this banking facility were due from repayment within one year, no reclassification or adjustment was necessary.

At 30 September 2009, obligations under finance leases of the Group amounting to HK\$83,041,744 (31 March 2009: HK\$108,519,067) are secured by a legal charge on the Group's property, plant and equipment with a net book amount of HK\$159,189,066 (31 March 2009: HK\$197,181,423).

Employees, remuneration policies

At 30 September 2009, approximately 3,866 (30 September 2008: 4,507) staff members and workers were employed in our Chang An Plant, Feng Gang Plant and Jiangxi Plant in Mainland China and 44 (30 September 2008: 45) staff members were employed in the Group's Hong Kong and Macao Office. Staff costs, excluding directors' remuneration, amounted to HK\$62,186,519 for the six months ended 30 September 2009 (2008: HK\$77,877,878). Remuneration packages are generally structured with reference to the prevailing market practice and individual qualifications. The remuneration policies of the Group are reviewed on a periodic basis.

Exposure to fluctuation in exchange rates and related hedges

The Group's borrowings are primarily denominated in Hong Kong dollars, Renminbi and United States dollars. The Group has no significant exposure to foreign exchange fluctuations.

Prospects

Printed circuit boards business remains to be the core business of the Group. The first production line installed in the Jiangxi factory increased the overall production capacity of the Group by 40%. Once the global market turns around, the Group considers that our current production capacity is sufficient to fulfill those orders.

In the short run, the economic environment is still challenging and the business of the Group remains difficult. In this respect we still hold a conservative view on Group's sales and its result forthcoming.

In the longer run, the Group maintains a positive outlook on future prospects due to the increasing demand of the high density interconnect boards installed inside 3G mobile phones and netbooks in Mainland China and the stimulation policy on the domestic economy by the government of Mainland China.

Share option scheme

On 23 February 2005, the Company adopted a share option scheme under which the directors may grant options to eligible persons, including employees and directors of the Group, to subscribe for shares of the Company.

The Company has not granted any option under the share option scheme since its adoption.

Interests of directors and chief executive in equity or debt securities

As at 30 September 2009, the interests of the directors and chief executive in the share capital of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance ("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 Companies (the "Model Code") were as follows:

Name	Number of shares	Nature of interest	Percentage of shareholding
Yip Sum Yin	33,175,973 (Note)	Settlor and beneficiary of trust	58.28%
Yip How Yin, Maurice	33,175,973 (Note)	Settlor and beneficiary of trust	58.28%
Yu Hung Min	29,577,475 (Note)	Beneficiary of a trust	51.96%

Note:

29,577,475 shares of HK\$0.10 each of the Company ("Shares") were beneficially owned by Sum Tai Holdings Limited ("Sum Tai"), which is wholly owned by Aberdare Assets Limited ("Aberdare"). Aberdare is wholly owned by Mr Yip How Yin, Maurice as trustee of a discretionary trust established for the benefit of Mr Yip Sum Yin, Madam Yu Hung Min and their family. 3,598,498 Shares were beneficially owned by Maroc Ventures Inc. ("Maroc"), which is wholly owned by Mr Yip Sum Yin as trustee of a discretionary trust established for the benefit of Mr Yip How Yin, Maurice and his family.

Save as disclosed above and the non-beneficial interest in certain subsidiaries of the Company of a director in his capacity of a nominee shareholder, as at 30 September 2009, none of the directors or any chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save for the Company's share option scheme, at no time during the period was the Company or its subsidiaries a party to any arrangement to enable the directors or chief executive of the Company to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial shareholders

As at 30 September 2009, so far as is known to the Directors, the following persons (other than a Director or Chief executive of the Company) had interest in the share capital of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Number of shares	Nature of interest	Percentage of shareholding
Sum Tai	29,577,475 (Note 1)	Corporate interest	51.96%
Aberdare	29,577,475 (Note 1)	Corporate interest	51.96%
Maroc (Note 2)	3,598,498	Beneficial owner	6.32%
Lu Wing Yee, Wayne	2,876,000	Beneficial owner	5.05%
Yuen Tsui Ying	2,876,000	Family interest	5.05%

Notes:

1. These Shares were beneficially owned by Sum Tai. Please refer to the note to the section headed "Interests of directors and chief executive in equity or debt securities" above.
2. Maroc is wholly owned by Mr Yip Sum Yin as trustee of a discretionary trust established for the benefit of Mr Yip How Yin, Maurice and his family.

Save as disclosed above, as at 30 September 2009, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company.

Purchase, sale or redemption of Company's listed securities

Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the shares of the Company during the six months ended 30 September 2009.

Corporate governance

None of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not in compliance with the Code of Corporate Governance Practices, as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange at any time during the six months ended 30 September 2009.

Model code for securities transactions by directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as its code of conduct regarding the directors' securities transactions. The Company had made specific enquiry with all directors of the Company, who have confirmed compliance with the required standard set out in the Model Code during the six months ended 30 September 2009.

Audit committee

The Audit Committee has reviewed, with the management of the Group, the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including the review of the interim report for the six months ended 30 September 2009.

Auditor

The Group's external auditor, PricewaterhouseCoopers, has conducted a review of the Interim Financial Information of the Group for the six months ended 30 September 2009 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

Appreciation

On behalf of the Board, I would like to express our thanks to our shareholders, customers, banks, and suppliers for their continuous support to the Group. I would also extend my appreciation to all our management and staff for their contribution during the period.

On behalf of the Board

YIP Sum Yin

Chairman

Hong Kong, 21 December 2009