YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

ANNUAL REPORT 2009/10

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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

AUDITOR

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

HSBC Bank 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

EXECUTIVE DIRECTORS

FANG Hung, Kenneth, GBS, JP, aged 71, 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 Fang Brothers Knitting Limited and a director of a number of other private and listed companies in Hong Kong. He was also the Chairman (for the period from June 2007 to January 2010) and a director (for the period from March 2007 to January 2010) of Times Ltd., a company formerly listed in Hong Kong until its privatisation in May 2010. Mr. Fang joined the Company as a Director in August 1995.

LI Kwok Wai, Frankie, aged 52, 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 47, 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 a 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 63, 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 Limited 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 58, has over 38 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 55, 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 was also an independent non-executive director of Times Ltd., a company formerly listed in Hong Kong until its privatisation in May 2010, for the period from June 2007 to January 2010 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.

COMPANY SECRETARY

LAU Siu Ki, Kevin, aged 52, 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

LIN Hsu Hung, aged 47, is the Executive Vice President responsible for the management and operation of the LCD and LCM factories. He has over 23 years' experience in LCD industry. Lin Hsu Hung joined the Group in 2002.

JIA Xiu Juan, aged 47, 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.

HAN Yu Zhong, aged 53, is the Executive 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.

WAN Wai Tak, aged 58, 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 32 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.

LIN Tsui Ping, aged 45, is the Vice President responsible for the research and development operations and production of LCD factory. 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 18 years' experience in the development and production of LCD products. Ms. Lin joined the Group in 2003.

CHAN Ming Tak, aged 59, is the Director of Sales and is responsible for both local sales and overseas sales activities. Mr. Chan has over 28 years' experience in technical and marketing of LCD and LCM products in Hong Kong. Mr. Chan has a bachelor's degree in Chemical Engineering from the University of Calgary in Canada. Mr. Chan joined the Group in 2009.

LIU Xiu Zhen, aged 42, is the Senior Manager responsible for the Group's information technology, customer service centers, human resources of the factories and the production and material control of LCD factory. 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. Ms. Liu joined the Group in 1993.

LIM Bee Lay, aged 61, 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 24 years' experience in LCD field in Singapore and Malaysia. Ms. Lim joined the Group in 2005.

HSIAO Hung Shih, aged 48, is the Senior Manager responsible for the manufacturing operations of the LCM factory and production of LCD factory. Mr. Hsiao has over 12 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 38, 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 13 years' relevant experience and joined the Group in 2005.

XIE Qi Lang, aged 36, 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 36, is the Senior Manager responsible for the sales and marketing in Hong Kong, the PRC and overseas markets. Mr. Tsui graduated from the Hong Kong Polytechnic University with a degree in manufacturing engineering. Mr. Tsui has over 10 years' experience in customer service management, sales and marketing. Mr. Tsui joined the Group in 2000.

HUANG Wen Huei, aged 35, 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 8 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 32, 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 year ended 31st March, 2010.

The revenue of the Group for the current year was approximately HK$455 million (2009: HK$515 million), representing a drop of 12% over last year. Loss attributable to owners of the Company was approximately HK$130 million (2009: loss of HK$38 million). The loss for the year was due to the share of loss in an associated company amounted to approximately HK$183 million which will be discussed in more details in the paragraphs below. Amid the global economic downturn and turmoil and against a difficult operating environment caused by rising production costs in the mainland China, the Group employed aggressive measures such as making adjustments to its sales and production strategies and exercising more stringent control over costs and expenses. As a result, our display business successfully made a turnaround by achieving a profit of approximately HK$17 million (2009: loss of HK$19 million) during the year.

During the year, Nantong Jianghai Capacitor Company Ltd. ("Nantong Jianghai"), a jointly-controlled entity of the Group, optimized its product mix and increased its production and sales of capacitors for industrial use through product upgrading. With reliable supply of key raw materials during the year, its production capacity improved and better economies of scale was achieved. As a result, there has been a significant increase in both turnover and profit of Nantong Jianghai. During the year, the Group's share of profit of the entity amounted to approximately HK$38 million (2009: HK$25 million).

During the year, the Group's share of loss incurred by Kunshan Visionox Display Co. Ltd. ("Kunshan Visionox"), an associated company of the Group engaged in the Organic Light Emitting Diode ("OLED") business, amounted to approximately HK$183 million. Kunshan Visionox continued to record a loss due to the fierce competition in the overall OLED market and the high production costs. After due consideration, the Group was of the opinion that there were uncertainties as to when Kunshan Visionox would be able to turnaround. Therefore, it was resolved that further impairment provision should be made to write down the carrying value of certain assets of Kunshan Visionox. After recording a share of loss of HK$183 million in the current year, the carrying value of the Group's investment in Kunshan Visionox has been reduced to nil. It should be noted that such share of loss in the associated company does not have any impact to the Group's cash flows.

Despite the loss incurred during the year, the Group's financial position remains healthy with liquid assets (aggregate of held-for-trading investment and bank balances and cash) of approximately HK$142 million, current ratio of 2.4 and zero bank borrowing as at 31st March, 2010. The Group will continue to capitalize on its strength in marketing and production capacity to maintain its market share. In addition, the management will also closely monitor and control the production costs to improve profitability. Together with a strong balance sheet, the Group is ready to overcome any challenge it may face in the difficult business environment.

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, 16th July, 2010

REVIEW OF OPERATIONS

The Group recorded a consolidated turnover for the twelve months ended 31st March, 2010, of approximately HK$455 million (2009: HK$515 million), and a loss attributable to owners of the Company of approximately HK$130 million (2009: HK$38 million). Among which, turnover of LCD decreased by HK$16 million from approximately HK$289 million to HK$273 million, and turnover of LCM decreased by HK$44 million from approximately HK$225 million to HK$181 million. Against a backdrop of fierce competition, the Group acted responsively by strengthening the cost control and optimizing the product mix, leading to the improved results of the core display business of the Group despite a decrease in turnover. As shown in the revenue and segment information, the LCD segment made a profit of HK$17 million versus a loss of HK$7 million of last year whereas the LCM segment recorded a profit of HK$5 million versus a loss of HK$7 million of last year.

The Group recorded a gross profit of approximately HK$65 million for the twelve months ended 31st March, 2010 (2009: HK$39 million). The gross profit margin was 14% (2009: 7%). Both increases were mainly due to the combined effect of cost control, development of new products and optimization of product mix.

During this year, other income amounted to approximately HK$9 million (2009: HK$12 million). The drop was mainly due to the decrease in the interest earned on bank deposits. Interest income from bank deposits for last year was mainly attributed to Kunshan Visionox Display Co. Ltd. (“Kunshan Visionox”), a then subsidiary of the Company. After the completion of the reorganisation of the Group’s investments in the Organic Light Emitting Diode (“OLED”) business in last year, Kunshan Visionox has become an associated company of the Group, and thus its results ceased to be consolidated into the Group’s financial statements.

Other gains and losses amounted to a net gain of approximately HK$2 million (2009: net loss of HK$1 million), which was mainly contributed by the receipt of residual capital upon liquidation of an available for sale investment that has been fully written off in prior years.

The selling and distribution expenses amounted to approximately HK$39 million for the current year (2009: HK$42 million). The drop in selling and distribution expense was mainly due to the decrease in allowance for doubtful debts.

Administrative expenses for the twelve months ended 31st March, 2010 amounted to approximately HK$19 million (2009: HK$29 million), representing a decrease of HK$10 million. This decrease was mainly due to the fact that the accounts of Kunshan Visionox were still consolidated into the financial statements of the Group in the early part of last year before reorganisation. Excluding the effect of de-consolidation of Kunshan Visionox, the Group’s administrative expenses for this year decreased by HK$4 million as compared to last year, reflecting the strict control on administrative expenses, especially the staff costs.

During the year under review, the Group’s share of losses of associated companies amounted to approximately HK$183 million (2009: HK$43 million) while its share of profit in a jointly-controlled entity amounted to approximately HK$38 million (2009: HK$25 million). The performance of the Group’s associated companies and jointly controlled entities will be discussed in further details in the following section.

During the year, the Group recorded a loss before income tax of approximately HK$128 million (2009: HK$41 million). The significant increase in loss was due to the share of losses of associated companies.

SIGNIFICANT INVESTMENTS

Investment in Nantong Jianghai Capacitor Company Ltd.

Nantong Jianghai, a 50%-owned jointly-controlled entity of the Group, is mainly engaged in the manufacturing and sales of aluminium electrolytic capacitors and related components, and the production and sales of aluminium formed foil for high-performance aluminium electrolytic capacitors. During the year, the Group's share of profit of Nantong Jianghai and its subsidiaries amounted to approximately HK$38 million (2009: HK$25 million).

During the reporting period, the production plant of Nantong Jianghai for aluminium formed foil has contributed to secure a stable supply of raw materials for the manufacture of high performance aluminium electrolytic capacitors and consequently achieved an even better economies of scale. Nantong Jianghai's effort in increasing its investment in technological development of capacitors, optimizing its product mix, exploring its market potential and expanding aggressively into the industrial products have resulted in a significant increase in its turnover and gross profit during the year.

Investment in Kunshan Visionox Display Co. Ltd.

During the year, competition in the OLED industry intensified due to the slump in global demand of its products. Moreover, some of the major OLED players in Taiwan and Japan have put more emphasis on the China market.

During the year, the Group's share of loss of Kunshan Visionox, an associated company of the Group, amounted to HK$183 million. This was mainly due to the difficulties caused by longer-than-expected learning curve for mastering the production process as well as the stability of the newly installed machinery. This has led to a lower-than-expected yield rate of production.

In view of the tough market condition, it is not certain when Kunshan Visionox would be able to turnaround. Accordingly, subsequent to an impairment loss made to certain assets in the previous year, a further impairment loss was recognized in the current year, which resulted in the Group's share of loss of associated companies amounting to HK$183 million. After recording such loss the carrying value of the Group's investment in Kunshan Visionox has been written down to nil in the consolidated statement of financial position.

PROSPECTS

Looking ahead, although the adverse impact of the global financial crisis has seemed stabilized, the operating conditions facing the Group will still be tough. Meanwhile, the cost of raw materials and the labour cost in China is expected to rise. Fully aware of the various difficulties and challenges facing the Group, the management is proactively taking the following measures: (1) In respect of geographical markets, the Group will devote its efforts to expand the China market where economic conditions and business opportunities are more favourable as compared to other parts of the world; (2) In respect of sales and marketing strategies, in addition to trying to share the burden of rising production costs with its customers through price adjustments, the Group also focuses on developing high-value products to increase profitability; (3) In respect of production, the Group will devote more resources to increase the production capacity and improve the quality of its production lines; and (4) In respect of finance, the Group will adhere to the healthy fiscal policies and maintain sufficient liquidity to keep its competitive edge.

Nevertheless, the economic conditions are still believed to be uncertain and the management maintains a cautious view of the performance of the Group in the coming year.

LIQUIDITY AND CAPITAL RESOURCES

As at 31st March, 2010, the Group's current ratio was 2.4 (31st March, 2009: 2.4). The gearing ratio, as a ratio of bank borrowings to net worth, was nil (31st March, 2009: nil).

As at 31st March, 2010, the Group had total assets of approximately HK$564 million, which were financed by liabilities of HK$127 and shareholders' equity of HK$437 million.

As at 31st March, 2010, the Group's banking facilities amounted to approximately HK$148 million (31st March, 2009: HK$165 million) of which approximately HK$7 million (31st March, 2009: HK$2 million) were utilized for issuance of letters of credit and bills payable.

Certain subsidiaries of the Company have assets and liabilities denominated in foreign currency, which expose the Group to foreign currency risk. The management monitors foreign exchange exposure by balancing its assets and liabilities denominated in various foreign currencies, and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

As at 31st March, 2010, the Group's held-for-trading investments of approximately HK$61 million (2009: Nil) have been charged to a financial institution for securities trading facilities granted to the Group. The securities trading facilities have not been utilized by the Group as at 31st March, 2010.

As at 31st March, 2010, a jointly controlled entity of the Group provided guarantees amounting to approximately HK$74 million (31st March, 2009: HK$73 million) to banks in respect of bank facilities granted to a supplier and its two jointly controlled entities of which approximately HK$37 million (31st March, 2009: HK$37 million) is shared by the Group.

Except as disclosed above, the Group had no other material contingent liabilities and there was no other charge and pledge on the Group's assets as at 31st March, 2010.

MAJOR CUSTOMERS AND SUPPLIERS

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

	2010	2009
Percentage of purchases from the Group's largest supplier	**8%**	6%
Percentage of purchases from the Group's five largest suppliers	**26%**	20%
Percentage of turnover to the Group's largest customer	**7%**	5%
Percentage of turnover to the Group's five largest customers	**18%**	16%

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, 2010, none of the Directors, their associates, or any shareholders which to the knowledge of the Directors owned more than 5% of the Group's share capital had any beneficial interest in the Group's five largest customers and/or five largest suppliers.

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

The Board of Directors have resolved to recommend the payment of a final dividend of HK1 cent per share (2009: HK1 cent) for the year ended 31st March, 2010 subject to approval of the shareholders of the Company (the "Shareholders") at the forthcoming Annual General Meeting. The final dividend will be paid on or about 8th October, 2010 to Shareholders whose names appear on the register of members of the Company at the close of business on 9th September, 2010.

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, 2010, 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.

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, Adrian	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. All board members also have unrestricted access to the advice and services of the Company Secretary, and 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.

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, 2010. 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 and mainland China 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, 2009 and for the six months ended 30th September, 2009;

(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, 2010.

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.

AUDITOR'S REMUNERATION

During the year ended 31st March, 2010, the remuneration paid or payable to the Company's auditor, Messrs. Deloitte Touche Tohmatsu, is set out as follows:

Services rendered	**Fees paid and payable** *HK$*
Audit services	2,000,000
Non audit services	120,000
	2,120,000

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 flows for that period. In preparing the accounts for the year ended 31st March, 2010, 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 2009 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 2009 Annual General Meeting, all votings were conducted by poll in accordance with the requirements of the Listing Rules.

The directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2010.

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 36, 17 and 16, respectively, to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2010 are set out in the consolidated statement of comprehensive income on page 26.

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, 2010, amounting to HK$10,112,000, and the retention of the remaining profit.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK$4 million. Details of this and other movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 27 to the consolidated financial statements.

There has been no movement in the authorized and issued share capital of the Company during the year.

RESERVES

Details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 29.

The Company's reserve available for distribution to shareholders as at 31st March, 2010 were as follows:

	2010	2009
	HK$'000	*HK$'000*
Contributed surplus	**49,259**	49,259
Retained profits	**19,384**	19,427
	68,643	68,686

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 were:

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. Tien Pei Chun, James and Mr. Lau Yuen Sun, Adrian 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, 2010, 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)*	31,318,013	697,692,368	729,010,381	72.10%

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, 2010, 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, 2010, 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 Executive in Securities".

Save as disclosed above, as at 31st March, 2010, 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.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2010 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, 2010.

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, 2010.

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
16th July, 2010

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 26 to 79, which comprise the consolidated statement of financial position as at 31st March, 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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.

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, 2010 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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

16th July, 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2010

	Notes	2010 HK$'000	2009 HK$'000
Revenue	5	**454,565**	515,002
Cost of sales		**(389,864)**	(476,497)
Gross profit		**64,701**	38,505
Other income	6	**8,783**	11,649
Other gains and losses	7	**2,160**	(1,249)
Selling and distribution expenses		**(39,314)**	(42,274)
Administrative expenses		**(19,491)**	(29,203)
Share of results of associates	16	**(183,254)**	(42,913)
Share of results of a jointly controlled entity	17	**38,235**	25,258
Finance costs	8	**–**	(764)
Loss before income tax		**(128,180)**	(40,991)
Income tax expense	9	**(2,570)**	(1,637)
Loss for the year	10	**(130,750)**	(42,628)
Other comprehensive (expense) income			
Exchange differences arising from the translation of foreign operations		**(55)**	8,366
Reclassification adjustment on deemed disposal of a subsidiary		**–**	(2,845)
Share of exchange difference of associates/a jointly controlled entity		**–**	3,893
		(55)	9,414
Total comprehensive expense for the year		**(130,805)**	(33,214)
Loss attributable to:			
Owners of the Company		**(130,398)**	(38,252)
Minority interests		**(352)**	(4,376)
		(130,750)	(42,628)
Total comprehensive expense attributable to:			
Owners of the Company		**(130,453)**	(31,610)
Minority interests		**(352)**	(1,604)
		(130,805)	(33,214)
Loss per share – basic	14	**HK$12.90 cents**	HK$3.78 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment	15	**62,492**	88,937
Prepayment for acquisition of plant and equipment		**277**	122
Interests in associates	16	**–**	183,254
Interest in a jointly controlled entity	17	**204,332**	166,097
Available-for-sale investments	18	**2,739**	2,739
Intangible assets	19	**1,459**	1,459
		271,299	442,608
Current assets			
Inventories	20	**67,667**	58,514
Trade and other receivables	21	**79,403**	70,592
Bills receivable	22	**3,536**	4,328
Dividend receivable from a jointly controlled entity		**–**	37,959
Amount due from an associate	16	**65**	65
Held-for-trading investments	23	**60,657**	–
Bank balances and cash	24	**81,003**	62,664
		292,331	234,122
Current liabilities			
Trade and other payables	25	**112,024**	88,972
Bills payable	25	**3,544**	929
Amount due to an associate	16	**1,040**	1,391
Tax payable		**7,237**	7,000
		123,845	98,292
Net current assets		**168,486**	135,830
Total assets less current liabilities		**439,785**	578,438

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2010

	Notes	2010 HK$'000	2009 HK$'000
Non-current liability			
Deferred tax liability	26	**3,175**	1,263
		436,610	577,175
Capital and reserves			
Share capital	27	**202,231**	202,231
Reserves		**234,379**	374,944
Total equity		**436,610**	577,175

The financial statements on pages 26 to 79 were approved and authorised for issue by the Board of Directors on 16th July, 2010 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, 2010

	Attributable to owners of the company								
	Share capital	Share premium	Capital reserve *(Note)*	Capital redemption 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*
At 1st April, 2008	202,231	126,763	2,125	7,829	47,703	252,469	639,120	124,953	764,073
Loss for the year	–	–	–	–	–	(38,252)	(38,252)	(4,376)	(42,628)
Other comprehensive income for the year									
Exchange difference arising on translation of foreign operations	–	–	–	–	5,594	–	5,594	2,772	8,366
Share of exchange difference of associates/a jointly controlled entity	–	–	–	–	3,893	–	3,893	–	3,893
Reclassification adjustment on deemed disposal of a subsidiary *(note 28)*	–	–	–	–	(2,845)	–	(2,845)	–	(2,845)
	–	–	–	–	6,642	–	6,642	2,772	9,414
Total comprehensive income (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 28)*	–	–	–	–	–	–	–	(123,349)	(123,349)
At 31st March, 2009	202,231	126,763	2,125	7,829	54,345	183,882	577,175	–	577,175
Loss for the year	–	–	–	–	–	(130,398)	(130,398)	(352)	(130,750)
Other comprehensive expense for the year									
Exchange difference arising on translation of foreign operations	–	–	–	–	(55)	–	(55)	–	(55)
Total comprehensive expense for the year	–	–	–	–	(55)	(130,398)	(130,453)	(352)	(130,805)
Capital contribution from a minority shareholder	–	–	–	–	–	–	–	352	352
Dividends recognised as distribution	–	–	–	–	–	(10,112)	(10,112)	–	(10,112)
At 31st March, 2010	202,231	126,763	2,125	7,829	54,290	43,372	436,610	–	436,610

Note: 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 STATEMENT OF CASH FLOWS

For the year ended 31st March, 2010

	2010	2009
	HK$'000	*HK$'000*
Operating activities		
Loss before income tax	**(128,180)**	(40,991)
Adjustments for:		
Finance costs	**–**	764
Share of results of associates	**183,254**	42,913
Share of results of a jointly controlled entity	**(38,235)**	(25,258)
Interest income	**(139)**	(1,848)
Depreciation	**30,563**	36,315
Gain on deemed disposal of a subsidiary	**–**	(4,235)
Gain on disposal of available-for-sale investments	**(1,546)**	–
Amortisation of intangible assets	**–**	1,131
Amortisation of prepaid lease payments	**–**	232
Gain on disposal of property, plant and equipment	**(221)**	(13)
Allowance for doubtful debts	**6,007**	7,899
Allowance for obsolete inventories	**8,953**	6,252
Operating cash flows before movements in working capital	**60,456**	23,161
(Increase) decrease in inventories	**(17,934)**	38,886
(Increase) decrease in trade and other receivables	**(14,248)**	5,702
Decrease (increase) in bills receivable	**792**	(3,440)
Increase in held-for-trading investments	**(60,657)**	–
Increase (decrease) in trade and other payables	**22,655**	(34,704)
Increase (decrease) in bills payable	**2,615**	(4,484)
Increase in deferred income	**–**	9,167
Net cash (used in) from operations	**(6,321)**	34,288
Income tax paid	**(421)**	(99)
Net cash (used in) from operating activities	**(6,742)**	34,189

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2010

	Note	2010 HK$'000	2009 HK$'000
Investing activities			
Dividend received from the jointly controlled entity		**37,959**	–
Decrease in pledged bank deposits		**–**	108,968
Repayment from an associate		**–**	18,615
Interest received		**139**	1,848
Proceeds from disposals of available-for-sale investments		**1,546**	–
Proceeds from disposals of property, plant and equipment		**227**	15
Purchase of property, plant and equipment		**(3,995)**	(159,069)
Prepayment to an associate		**–**	(10,108)
Net cash outflow on deemed disposal of a subsidiary	*28*	**–**	(6,325)
Purchase of available-for-sale investments		**–**	(1,337)
Prepayment for acquisition of plant and equipment		**(277)**	(122)
Net cash from (used in) investing activities		**35,599**	(47,515)
Financing activities			
Dividend paid		**(10,112)**	(30,335)
Interest paid		**–**	(310)
Repayment of amount due to an associate		**(351)**	(500)
New bank loan raised		**–**	22,682
Capital contribution from a minority shareholder		**352**	–
Net cash used in financing activities		**(10,111)**	(8,463)
Net increase (decrease) in cash and cash equivalents		**18,746**	(21,789)
Effect of changes in exchange rates		**(407)**	(323)
Cash and cash equivalents at beginning of the year		**62,664**	84,776
Cash and cash equivalents at end of the year, represented by bank balances and cash		**81,003**	62,664

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 ("HKD"), 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 new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

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

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

HKAS 1 (Revised 2007) Presentation of Financial Statements

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

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

Amendments to HKFRS 7 Financial Instruments: Disclosures

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments. The amendments also expand and amend the disclosures required in relation to liquidity risk.

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[3]
HKAS 24 (Revised)	Related Party Disclosures[7]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[5]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[4]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[4]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[8]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[7]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

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

[1] Effective for annual periods beginning on or after 1st July, 2009

[2] Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate

[3] Effective for annual periods beginning on or after 1st July, 2010 and 1st January, 2011, as appropriate

[4] Effective for annual periods beginning on or after 1st January, 2010

[5] Effective for annual periods beginning on or after 1st February, 2010

[6] Effective for annual periods beginning on or after 1st July, 2010

[7] Effective for annual periods beginning on or after 1st January, 2011

[8] Effective for annual periods beginning on or after 1st January, 2013

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

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company are in the process of assessing the potential impact and so far concluded that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements of the Group.

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 statements 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 statement of comprehensive income 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. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in associates (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position 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.

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.

Interest in a jointly controlled entity

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 statement of financial position 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 on initial recognition.

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 profit or loss in the period 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 on 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

Operating lease payments are recognised as an expense 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 and amortised over the lease term on a straight-line basis.

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 the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 preparing 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. HKD) at the rate of exchange prevailing at the end of the reporting period, 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 in other comprehensive income and accumulated in equity (the translation reserve).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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 statement of comprehensive income 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 end of the reporting period.

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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets generally are recognised for all deductible temporary difference 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Intangible assets

Club membership

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.

Inventories

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position 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 or 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of three categories, loans and receivables, financial assets at fair value through profit or loss ("FVTPL") 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 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 to the net carrying amount on initial recognition.

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

Financial assets at fair value through profit or loss

Financial assets at FVTPL represent investments held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. 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 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 FVTPL, loans and receivables or held-for-maturity investments.

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 the end of each reporting period (see accounting policy on impairment on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. 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, 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

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 other comprehensive income and accumulated in investment revaluation reserve.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

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 and amount due to an associate are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

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 in other comprehensive income 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 the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. 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 calculation. The value in use calculation required 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, 2010, the carrying amount of property, plant and equipment is approximately HK$62,492,000 net of accumulated depreciation of approximately HK$284,871,000 (2009: HK$88,937,000 net of accumulated depreciation of HK$257,548,000). No impairment loss is identified during both years.

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, 2010, the carrying amount of interests in associates is HK$nil (2009: HK$183,254,000).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Allowances for inventories

The management of the Group reviews an aging analysis at the end of each reporting period, 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 the end of each reporting period and makes allowance for obsolete items. During the year, the Group has recognised allowances for obsolete inventories amounting to approximately HK$8,953,000 (2009: HK$6,252,000) As at 31st March, 2010, the carrying amount of inventories was HK$67,667,000 (2009: HK$58,514,000)

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$6,007,000 (2009: HK$7,899,000). As at 31st March 2010, the carrying amount of trade and other receivables was HK$79,403,000 (2009: HK$70,592,000).

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1st April, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM"), the board of directors, for the purpose of allocating resources to segments and assessing 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. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has resulted in a redesignation of the Group's reportable segments and changed the basis of measurement of segment revenue as compared with the primary reportable segments determined in accordance with HKAS 14 by including the product grouped under unallocated segment under HKAS 14 to LCDs segment because this is how CODM reviews LCDs segment.

5. REVENUE AND SEGMENT INFORMATION (continued)

Information reported to the Group's CODM for the purpose of resources allocation and assessment of performance is focused on the sales of types of products provided by the Group's operating divisions. The Group is currently organised into two operating divisions, which are manufacture and sale of LCDs and LCMs that are widely used in electronic consumer products. These two operating divisions form the basis of internal reports about components of the Group that are regularly reviewed by the CODM for the purpose of resources allocation and performance assessment.

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

2010

	LCDs	LCMs	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue				
External sales	273,182	181,383	–	454,565
Inter-segment sales	34,890	–	(34,890)	–
Total	308,072	181,383	(34,890)	454,565
Segment profit	16,541	4,533	–	21,074
Interest income				139
Dividend income				349
Gain on disposal of available-for-sale investments				1,546
Gain on fair value changes of held-for-trading investments				363
Unallocated administrative costs				(6,662)
Net exchange gain				30
Share of result of associates				(183,254)
Share of result of a jointly controlled entity				38,235
Loss before income tax				(128,180)

5. REVENUE AND SEGMENT INFORMATION (continued)

2009

	LCDs	LCMs	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue				
External sales	289,597	225,405	–	515,002
Inter-segment sales	38,575	–	(38,575)	–
Total	328,172	225,405	(38,575)	515,002
Segment loss	(6,631)	(7,099)		(13,730)
Interest income				1,848
Unallocated administrative costs				(9,428)
Net exchange loss				(5,497)
Share of result 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)
Loss before income tax				(40,991)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit (loss) generated from each segment, net of selling and distribution costs and administration costs directly attributable to each segment without allocation of interest income, dividend income, gains on disposal of available-for-sale investments and fair value changes of held-for-trading investments, unallocated administrative costs, net exchange differences, finance costs, gain on deemed disposal of a subsidiary, share of results of associates and a jointly controlled entity. This is the measure reported to the CODM, for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at cost or cost plus a percentage of mark-up.

5. REVENUE AND SEGMENT INFORMATION (continued)

Other segment information

The following other segment information is included in the measure of segment profit or loss:

2010

	LCDs HK$'000	LCMs HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Depreciation and amortisation	25,143	5,242	30,385	178	30,563
Gain on disposal of property, plant and equipment	(222)	1	(221)	–	(221)
Allowance for doubtful debts	2,266	3,741	6,007	–	6,007
Allowance for obsolete inventories	7,914	1,039	8,953	–	8,953

2009

	LCDs HK$'000	LCMs HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Depreciation and amortisation	30,554	5,374	35,928	1,750	37,678
Gain on disposal of property, plant and equipment	(13)	–	(13)	–	(13)
Allowance for doubtful debts	3,262	4,637	7,899	–	7,899
Allowance for obsolete inventories	1,252	5,000	6,252	–	6,252

Segment assets and liabilities

As the CODM reviews the Group's assets and liabilities for the Group as a whole on a consolidated basis, no information on segment assets or liabilities is presented.

5. REVENUE AND SEGMENT INFORMATION (continued)

Geographical information

The Group operates in two principal geographical areas, including Hong Kong and other regions in the People's Republic of China ("PRC").

The Group's revenue from external customers and information about its non-current assets by geographical location of the customers and assets respectively, are detailed below:

	Revenue from external customers		Non-current assets	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong, the PRC	**137,516**	199,006	**7,094**	7,887
Other regions of the PRC	**70,333**	76,002	**261,274**	431,821
Europe	**69,025**	67,411	**192**	161
Japan	**66,057**	65,284	**–**	–
Other countries	**111,634**	107,299	**–**	–
	454,565	515,002	**268,560**	439,869

Note: Non-current assets excluded financial instruments.

No customer has contributed over 10% of the total sales of the Group for both years.

6. OTHER INCOME

	2010	2009
	HK$'000	*HK$'000*
Interest on bank deposits	**139**	1,848
Dividend income from investments held-for-trading	**349**	–
Tooling income	**4,087**	5,027
Scrap sales	**1,570**	1,141
Others	**2,638**	3,633
	8,783	11,649

7. OTHER GAINS AND LOSSES

	2010	2009
	HK$'000	*HK$'000*
Gain on deemed disposal of a subsidiary	**–**	4,235
Gain on disposal of available-for-sale investments	**1,546**	–
Gain on fair value changes of held-for-trading investments	**363**	–
Gain on disposal of property, plant and equipment	**221**	13
Net exchange gain (loss)	**30**	(5,497)
	2,160	(1,249)

8. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**–**	310
Interest on other payables	**–**	71
Interest on government loan	**–**	383
	–	764

9. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
The income tax expense comprises:		
Current tax		
Hong Kong	**–**	47
Other jurisdictions	**658**	337
	658	384
Overprovision in prior years		
Hong Kong	**–**	(10)
Deferred taxation *(note 26)*		
Charge for the year	**1,912**	1,263
	2,570	1,637

9. INCOME TAX EXPENSE (continued)

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% of the estimated assessable profit for both years.

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

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

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 EIT Law, these PRC subsidiaries which are protected under grandfather relief could continue to enjoy the “2+3” tax holiday until 31st December, 2009. The applicable enterprise income tax rate for these PRC subsidiaries under the grandfather relief until its expiry is 12.5%.

Under the EIT 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 Group’s share of 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.

9. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the loss before income tax per the consolidated statement of comprehensive income as follows:

	2010 HK$'000	2009 HK$'000
Loss before income tax	**(128,180)**	(40,991)
Tax at Hong Kong Profits Tax rate of 16.5%	**(21,150)**	(6,764)
Tax effect of share of results of associates	**30,237**	7,081
Tax effect of share of result of a jointly controlled entity	**(6,308)**	(4,168)
Tax effect of expenses that are not deductible for tax purpose	**2,106**	3,883
Tax effect of income not taxable for tax purpose	**(843)**	(273)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(1,832)**	(1,228)
Overprovision in respect of prior years	**–**	(10)
Tax effect of tax loss not recognised	**–**	1,205
Utilisation of tax losses previously not recognised	**(1,612)**	–
Tax effect of temporary differences not recognised in the current year	**–**	667
Withholding tax for undistributed profits in a jointly controlled entity	**1,912**	1,263
Others	**60**	(19)
Income tax expense for the year	**2,570**	1,637

10. LOSS FOR THE YEAR

	2010 HK$'000	2009 HK$'000
Loss for the year has been arrived at after charging (crediting):		
Auditor's remuneration		
– current year	**1,620**	1,641
– overprovision in prior years	**–**	(92)
Cost of inventories recognised as expenses (including allowances for obsolete inventories HK$8,953,000 (2009: HK$6,252,000))	**389,864**	476,497
Depreciation of property, plant and equipment	**30,563**	36,315
Amortisation of intangible assets (included in administrative expenses)	**–**	1,131
Amortisation of prepaid lease payment	**–**	232
Staff costs, including directors' emoluments *(note 11)*	**91,820**	105,423
Allowance for doubtful debts	**6,007**	7,899
Share of tax of a jointly controlled entity (included in share of results of a jointly controlled entity)	**6,304**	2,589

11. DIRECTORS' EMOLUMENTS

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

Year ended 31st March, 2010

	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	1,224	1,151	612	–	–	–	2,987
Performance related incentive payments *(Note)*	–	203	458	–	–	–	661
Retirement benefit scheme contributions	–	67	54	–	–	–	121
Total emoluments	1,224	1,421	1,124	120	120	120	4,129

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)*	–	–	295	–	–	–	295
Retirement benefit scheme contributions	–	65	49	–	–	–	114
Total emoluments	1,386	1,368	1,037	120	120	120	4,151

Note: The performance related incentive payment is determined on a discretionary basis.

No director waived any emoluments for the two years ended 31st March, 2010.

12. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2009: three) were directors of the Company whose emoluments are included in note 11 above. The emoluments of the remaining two (2009: two) individuals were as follows:

	2010	2009
	HK$'000	*HK$'000*
Salaries and other benefits	**1,049**	1,382
Performance related incentive payments	**262**	–
Retirement benefit scheme contributions	**55**	35
Total emoluments	**1,366**	1,417

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

13. DIVIDEND

Dividends recognised as distributions during the year:

	2010	2009
	HK$'000	*HK$'000*
Final dividend in respect of the year ended 31st March, 2009 of HK1 cent per share (2009: final dividend in respect of the year ended 31st March, 2008 of HK1 cent per share)	**10,112**	10,112
Special dividend in respect of the year ended 31st March, 2009 of HK2 cents per share	**–**	20,223
	10,112	30,335

The directors of the Company have proposed a final dividend of HK 1 cent (2009: HK 1 cent) per ordinary share in respect of the year ended 31st March, 2010 which is subject to approval by the shareholders in the forthcoming general meeting.

14. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to the owners of the Company for the year and 1,011,155,171 (2009: 1,011,155,171) ordinary shares in issue.

15. 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, 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 and 1st April, 2009	18,131	32,148	13,690	276,231	4,567	1,718	346,485
Exchange realignment	–	8	36	–	12	–	56
Additions	–	118	286	1,180	60	2,473	4,117
Disposals	–	–	–	(3,247)	(48)	–	(3,295)
Transfers	–	80	–	1,365	206	(1,651)	–
At 31st March, 2010	18,131	32,354	14,012	275,529	4,797	2,540	347,363
DEPRECIATION AND AMORTISATION							
At 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 disposal of a subsidiary	–	–	(204)	(3)	(247)	–	(454)
At 31st March, 2009 and 1st April, 2009	6,904	24,568	10,052	212,015	4,009	–	257,548
Exchange realignment	–	6	33	–	10	–	49
Provided for the year	828	3,020	1,291	25,115	309	–	30,563
Eliminated on disposals	–	–	–	(3,241)	(48)	–	(3,289)
At 31st March, 2010	7,732	27,594	11,376	233,889	4,280	–	284,871
CARRYING VALUES							
At 31st March, 2010	10,399	4,760	2,636	41,640	517	2,540	62,492
At 31st March, 2009	11,227	7,580	3,638	64,216	558	1,718	88,937

15. 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:

Freehold and 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:

	2010 *HK$'000*	2009 *HK$'000*
Properties in Hong Kong held under medium-term leases	**3,355**	3,532
Properties outside Hong Kong held under:		
Freehold	**834**	872
Medium-term leases	**6,210**	6,823
	10,399	11,227

16. INTERESTS IN ASSOCIATES

	2010 *HK$'000*	2009 *HK$'000*
Cost of unlisted investment in associates	**245,410**	245,410
Share of post-acquisition losses and other comprehensive income, net of dividend	**(245,410)**	(62,156)
	–	183,254

16. INTERESTS IN ASSOCIATES (continued)

Details of the Group's principal associates as at 31st March, 2010 and 2009 were as follows:

Name	Form of business	Place of incorporation or registration/ operation	Proportion of nominal value of issued capital held by the Group	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

Notes: (a) The Company owns 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 at 34.45%.

(b) Kunshan Visionox, a 47.50% subsidiary of the Group at 31st March, 2008, underwent a restructuring during the year ended 31st March, 2009. Subsequent to the restructuring, Kunshan Visionox became an associate of the Group and its result had been included in interests in associates. Details of the restructuring of Kunshan Visionox are included in note 28.

Included in the share of loss of associates for the two years ended 31st March, 2010 is share of impairment loss of assets due to the slower than expected development of the OLED business.

The summarised financial information of the Group's associates is set out below:

Financial position

	2010	2009
	HK$'000	*HK$'000*
Total assets	**142,354**	651,566
Total liabilities	**(216,473)**	(275,757)
Net (liabilities) assets	**(74,119)**	375,809
Net (liabilities) assets attributable to the Group	**(32,071)**	183,254

16. INTERESTS IN ASSOCIATES (continued)

Results for the year

	2010 HK$'000	2009 HK$'000
Revenue	**106,265**	12,366
Loss for the year	**(451,215)**	(104,601)
Other comprehensive income	**–**	418
Group's share of loss and other comprehensive income of associates for the year	**(189,192)**	(40,677)

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

	2010 HK$'000	2009 HK$'000
Unrecognised share of loss of the associates for the year	**5,938**	3,399
Accumulated unrecognised share of losses of the associates	**9,337**	3,399

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

17. INTEREST IN A JOINTLY CONTROLLED ENTITY

	2010 HK$'000	2009 HK$'000
Cost of unlisted investment in a jointly controlled entity	**95,840**	95,840
Share of post-acquisition profits and other comprehensive income, net of dividend	**108,492**	70,257
	204,332	166,097

17. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

At 31st March, 2010 and 2009, 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	Sino-foreign cooperate joint venture	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.

	2010	2009
	HK$'000	*HK$'000*
Current assets	**197,132**	175,861
Non-current assets	**170,488**	155,224
Current liabilities	**148,309**	143,096
Non-current liabilities	**14,979**	21,892
Revenue	**375,565**	296,973
Expense	**337,330**	271,715
Other comprehensive income	**–**	3,741

18. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments represent unlisted equity securities of a private entity engaging in manufacturing and trading of aluminium formed foil in the PRC. It is measured at cost less impairment at the end of the reporting period 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 end of the reporting period.

19. INTANGIBLE ASSET

	Club memberships HK$'000	Development projects HK$'000	Patents HK$'000	Total HK$'000
COST				
At 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, 1st April, 2009 and 31st March, 2010	1,459	–	–	1,459
AMORTISATION				
At 1st April, 2008	–	1,331	1,729	3,060
Exchange realignment	–	31	40	71
Charge for the year	–	678	453	1,131
Eliminated on disposal of a subsidiary	–	(2,040)	(2,222)	(4,262)
At 31st March, 2009, 1st April, 2009 and 31st March, 2010	–	–	–	–
CARRYING VALUES				
At 31st March, 2010	1,459	–	–	1,459
At 31st March, 2009	1,459	–	–	1,459

The development projects and patents have finite 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

	2010	2009
	HK$'000	HK$'000
Raw materials	35,710	27,401
Work in progress	18,447	11,632
Finished goods	13,510	19,481
	67,667	58,514

21. TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	HK$'000
Trade receivables	74,511	62,618
Other receivables	2,616	6,881
Deposits	1,279	135
Prepayments	997	958
	79,403	70,592

The Group's trade and other receivables that are denominated in currencies as stated in note 30b(i), other than functional currencies of the relevant group entities, amounted to HK$54,415,000 (2009: HK$41,969,000).

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.

The following is an aged analysis of trade receivables, net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	2010	2009
	HK$'000	HK$'000
1 – 30 days	37,833	32,541
31 – 60 days	21,379	19,712
61 – 90 days	13,815	9,636
91 – 120 days	1,484	729
	74,511	62,618

21. TRADE AND OTHER RECEIVABLES (continued)

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

Ageing of trade receivables based on payment due date which are past due but not impaired:

	2010	2009
	HK$'000	*HK$'000*
1 – 30 days	**16,780**	18,006
31 – 60 days	**–**	391
	16,780	18,397

Included in the Group's trade receivable balance are debtors with a carrying amount of approximately HK$16,780,000 (2009: HK$18,397,000) 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

	2010	2009
	HK$'000	*HK$'000*
Balance at beginning of the year	**18,651**	13,115
Currency realignment	**83**	(100)
Impairment losses recognised	**6,007**	7,899
Amounts written off	**(2,639)**	(2,263)
Balance at end of the year	**22,102**	18,651

Included in the allowance for doubtful debts are individually impaired trade and other receivables with a balance of HK$22,102,000 (2009: HK$18,651,000) which have continuous delinquent payments. The Group does not hold any collateral over these balances.

22. BILLS RECEIVABLE

All the Group's bills receivable at 31st March, 2010 and 2009 were due within 90 days.

23. HELD-FOR-TRADING INVESTMENTS

The held-for-trading investments represent the equity securities listed in Hong Kong. The fair values of held-for-trading investments have been determined by reference to the quoted market bid prices available on the Stock Exchange.

All equity securities have been charged to a financial institution for securities trading facilities granted to the Group. At the end of the reporting date, the securities trading facilities have not been utilized by the Group.

24. BANK BALANCES AND CASH

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 1.17% (2009: 0.01% to 3.88%) per annum.

The Group's bank balances and cash that are denominated in currencies as stated in note 30b(i), other than the functional currencies of the relevant group entities, amounted to HK$56,607,000 (2009: HK$44,173,000).

25. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

	2010	2009
	HK$'000	*HK$'000*
Trade payables	**57,769**	38,491
Accrued charges	**37,294**	32,159
Other payables	**20,505**	19,251
	115,568	89,901
Amount analysed for reporting purposes as:		
Trade and other payables	**112,024**	88,972
Bills payable	**3,544**	929
	115,568	89,901

The following is an aged analysis by invoice date of trade payables at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
Up to 30 days	**21,039**	15,053
31 – 60 days	**13,888**	8,431
61 – 90 days	**11,438**	5,287
91 – 120 days	**6,461**	3,333
Over 120 days	**4,943**	6,387
	57,769	38,491

All the Group's bills payables as at 31st March, 2010 and 2009 were due within 90 days.

The Group's trade and other payables that are denominated in currencies as stated in note 30b(i), other than functional currencies of the relevant group entities, amounted to HK$76,484,000 (2009: HK$57,102,000).

26. 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, 2008	–	545	(545)	–
Charge (credit) to profit or loss for the year	1,263	(217)	217	1,263
At 31st March, 2009 and 1st April, 2009	1,263	328	(328)	1,263
Charge (credit) to profit or loss for the year	1,912	(86)	86	1,912
At 31st March, 2010	3,175	242	(242)	3,175

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

	2010	2009
	HK$'000	*HK$'000*
Deferred tax assets	**–**	–
Deferred tax liabilities	**(3,175)**	(1,263)
	(3,175)	(1,263)

26. DEFERRED TAXATION (continued)

At the end of the reporting period, the Group had unused tax losses of HK$18.2 million (2009: HK$28.5 million) and temporary differences on allowance for trade receivables of HK$16.3 million (2009: HK$16.3 million) available for offset against future profits. A deferred tax asset has been recognised in respect of approximately HK$1.5 million (2009: HK$2 million) of such losses. No deferred tax asset has been recognised in respect of the remaining tax losses of HK$16.7 million (2009: HK$26.5 million) and temporary differences on allowance for trade and other receivables of HK$16.3 million (2009: HK$16.3 million) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

27. SHARE CAPITAL

	Number of shares		Share Capital	
	2010	2009	**2010**	2009
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised				
2,000 million ordinary shares of HK$0.2 each	**2,000,000**	2,000,000	**400,000**	400,000
Issued and fully paid				
At beginning and end of the year	**1,011,155**	1,011,155	**202,231**	202,231

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st March, 2010 and 2009.

28. DEEMED DISPOSAL OF A SUBSIDIARY

During the year ended 31st March, 2009, the Group entered into a series of agreements in relation to the restructuring of an indirectly owned subsidiary, Kunshan Visionox, which was 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 on 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 had the power to control the board of directors and operations of Kunshan Visionox. Therefore, Kunshan Visionox was no longer accounted for as a subsidiary of the Group and had become an associate.

28. DEEMED DISPOSAL OF A SUBSIDIARY (continued)

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, will contribute 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 had been approved and the revised company's bye-laws of Kunshan Visionox had been filed with the relevant regulatory authorities during the year ended 31st March, 2009. Accordingly, the Group's interest in Kunshan Visionox had 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, 2010 and 2009, the Group had not made the RMB40,000,000 (equivalent to HK$45,464,000 (2009: HK$45,324,000)) further capital contribution to Kunshan Visionox and the amount is included as a commitment of the Group in note 31.

28. DEEMED DISPOSAL OF A SUBSIDIARY (continued)

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

	2009
	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)

29. 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 associated 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.

30. FINANCIAL INSTRUMENTS

30a. Categories of financial instruments

	2010	2009
	HK$'000	*HK$'000*
Financial assets		
Loans and receivables		
(including cash and cash equivalents)		
Trade and other receivables	**77,127**	69,499
Bills receivable	**3,536**	4,328
Bank balances and cash	**81,003**	62,664
Dividend receivable from a jointly controlled entity	**–**	37,959
Amount due from an associate	**65**	65
	161,731	174,515
Available-for-sale investments	**2,739**	2,739
Held-for-trading investments	**60,657**	–

	2010	2009
	HK$'000	*HK$'000*
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**74,937**	56,813
Bills payable	**3,544**	929
Amount due to an associate	**1,040**	1,391
	79,521	59,133

30. FINANCIAL INSTRUMENTS (continued)

30b. 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 currency risk, interest rate risk and other price 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.

Market risks

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 71% (2009: 66%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale, whilst approximately 12% (2009: 17%) 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**	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
HKD	**1,252**	1,467	**12,127**	8,740
Renminbi ("RMB")	**25,056**	20,284	**28,956**	25,389
Taiwan dollars ("NTD")	**8,234**	8,392	**59**	190
United States dollars ("USD")	**74,363**	56,143	**31,967**	19,650

30. FINANCIAL INSTRUMENTS (continued)

30b. Financial risk management and policies (continued)

Market risks (continued)

(i) *Currency risk* (continued)

Sensitivity analysis

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. A positive number below indicates a decrease in post-tax loss where the functional currencies of the relevant subsidiaries strengthen 5% against relevant currency. 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 post-tax loss, and the balances below would be negative.

	2010	2009
	HK$'000	*HK$'000*
RMB	**163**	213
NTD	**(341)**	(342)
HKD	**454**	304

For the group entities with functional currency in 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.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(ii) *Interest rate risk*

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.

30. FINANCIAL INSTRUMENTS (continued)

30b. Financial risk management and policies (continued)

Market risks (continued)

(iii) Other price risk

The Group is exposed to equity price risk through its investment in listed equity securities in Hong Kong. The management closely keeps watch of the price changes and takes appropriate action when necessary.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date.

If the prices of the respective held-for-trading investments had been 10% (2009: nil) higher/lower, post-tax loss of the Group for the year would decrease/increase by HK$6,065,700 (2009: nil) as a result of the changes in fair value of held-for-trading investments.

Credit risk

As at 31st March, 2010, 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 statement of financial position; and

- the amount of contingent liabilities in relation to financial guarantee issued by a jointly controlled entity of the Group as disclosed in note 32.

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 the end of each reporting period 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.

30. FINANCIAL INSTRUMENTS (continued)

30b. Financial risk management and policies (continued)

Credit risks (continued)

The credit risk on liquid funds is limited because the counterparties are banks with good reputation.

The Group has concentration of credit risk as 27% (2009: 22%) of the total trade and bills receivables was due from the Group's five largest debtors engaging in manufacturing and trading of electronic consumer products in Hong Kong, other regions of the PRC and United States of America with good repayment history. The Group will monitor the level of exposures to ensure that follow up actions and/or corrective measures 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.

Liquidity risk

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, 2010, the Group's banking facilities amounted to approximately HK$148,000,000 (2009: HK$165,100,000) of which approximately HK$6,892,000 (2009: HK$2,179,000) were utilised for issuance of letters of credit and bills payable.

30. FINANCIAL INSTRUMENTS (continued)

30b. Financial risk management and policies (continued)

Liquidity risks (continued)

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The tables has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The carrying amounts of financial liabilities represent the undiscounted cash flows that the Group is required to pay.

	On demand or less than 3 months *HK$'000*
2010	
Non-derivative financial liabilities	
Trade and other payables	**74,937**
Bills payable	**3,544**
Amount due to an associate	**1,040**
Financial guarantee contract *(Note)*	**37,200**
	116,721

	On demand or less than 3 months *HK$'000*
2009	
Non-derivative financial liabilities	
Trade and other payables	56,813
Bills payable	929
Amount due to an associate	1,391
Financial guarantee contract *(Note)*	36,500
	95,633

Note: The amounts included above for financial guarantee contracts are the maximum amounts that a jointly controlled entity of the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is not likely that the amount will be payable under the arrangement.

30. FINANCIAL INSTRUMENTS (continued)

30c. Fair value

The fair value of financial assets and financial liabilities are determined as follows:

(i) The fair value of financial assets with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices.

(ii) The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 *HK$'000*
Held-for-trading investments	60,657

31. CAPITAL COMMITMENT

	2010 HK$'000	2009 HK$'000
Expenditure contracted for but not provided in the financial statements in respect of:		
– Acquisition of plant and machinery	**162**	254
– Further capital contribution to an associate *(Note 28)*	**45,464**	45,324
	45,626	45,578

32. CONTINGENT LIABILITIES

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

	2010 HK$'000	2009 HK$'000
Share of contingent liability of a jointly controlled entity arising from guarantees given to banks in respect of bank loans granted to		
– a supplier	**17,000**	21,500
– jointly controlled entities	**20,200**	15,000
	37,200	36,500

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

33. OPERATING LEASE COMMITMENT

As lessee

Minimum lease payments paid under operating leases for rented premises during the year amounted to approximately HK$3,489,000 (2009: HK$4,154,000).

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2010	2009
	HK$'000	*HK$'000*
Within one year	**1,435**	1,944
In the second to fifth year inclusive	**3,433**	3,794
Over the fifth year	**168**	177
	5,036	5,915

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.

34. 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 statement of comprehensive income 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 statement of comprehensive income of approximately HK$2,315,000 (2009: HK$2,670,000) after forfeited contributions utilised in the MPF Scheme of approximately HK$106,000 (2009: HK$130,000) represents contributions payable to these schemes by the Group in respect of the current year.

35. RELATED PARTY TRANSACTIONS

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

	2010	2009
	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:

	2010	2009
	HK$'000	*HK$'000*
Short-term benefits	**4,008**	4,037
Post-employment benefits	**121**	114
	4,129	4,151

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

36. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31st March, 2010 and 2009 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 shares/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)*	Manufacture of LCDs
Yeebo (B.V.I.) Limited	Incorporated	BVI	US$8,100	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

Note: 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 became a wholly owned foreign enterprise and was then a wholly owned subsidiary of the Group.

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,				
	2006	2007	2008	2009	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Turnover	391,242	456,287	680,973	515,002	**454,565**
Profit (loss) before income tax	37,161	29,090	6,392	(40,991)	**(128,180)**
Income tax expense	(1,853)	(3,088)	(3,916)	(1,637)	**(2,570)**
Profit (loss) for the year	35,308	26,002	2,476	(42,628)	**(130,750)**
Attributable to:					
Owners of the Company	36,186	25,386	10,978	(38,252)	**(130,398)**
Minority interests	(878)	616	(8,502)	(4,376)	**(352)**
	35,308	26,002	2,476	(42,628)	**(130,750)**

ASSETS AND LIABILITIES

	At 31st March,				
	2006	2007	2008	2009	**2010**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Assets and liabilities					
Total assets	805,991	930,362	935,515	676,730	**563,630**
Total liabilities	(180,543)	(193,926)	(171,442)	(99,555)	**(127,020)**
	625,448	736,436	764,073	577,175	**436,610**
Equity attributable to owners of the Company	625,448	614,499	639,120	577,175	**436,610**
Minority interests	–	121,937	124,953	–	**–**
	625,448	736,436	764,073	577,175	**436,610**