YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

ANNUAL REPORT 2010/11

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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 Securities Services (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 72, 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 53, 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 48, is the 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 64, 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 59, has over 39 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 56, 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.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

LAU Siu Ki, Kevin, aged 53, 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

HAN Yu Zhong, aged 54, is the Executive Vice President and the Chief Marketing Officer responsible for the overall sales and marketing of LCD and LCM. Mr. Han's experience has predominantly been gained in LCD manufacturing and business operations in PRC and has capitalized his experience therefrom to carry out the Group's business expansion plan in PRC. Mr. Han joined the Group in 1990.

LIN Hsu Hung, aged 48, is the Executive Vice President and the Chief Operating Officer responsible for the management and operation of the LCD and LCM factories. He has over 24 years' experience in LCD industry. Mr. Lin joined the Group in 2002.

JIA Xiu Juan, aged 48, is the Executive Vice President and the Chief Financial Officer responsible for the financial management of the LCD and LCM business. 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.

WAN Wai Tak, aged 59, 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 33 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. He is a chartered physicist with membership in the Institute of Physics in the United Kingdom. Mr. Wan joined the Group in 1988.

LIU Xiu Zhen, aged 43, is the Vice President and the Chief Human Resources Officer 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.

HSIAO Hung Shih, aged 49, is the Vice President responsible for the manufacturing operations and the production and material control of LCM factory, and the production of LCD factory. Mr. Hsiao has over 13 years' experience in the planning, management and overall field operation of the production of Color STN, FSTN, STN and LCM. Mr. Hsiao joined the Group in 2003.

LIN Tsui Ping, aged 46, is the Chief Technology Officer 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 19 years' experience in the development and production of LCD products. Ms. Lin joined the Group in 2003.

CHAN Ming Tak, aged 60, is the Director of Sales and is responsible for both local sales and overseas sales activities. Mr. Chan has over 29 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.

LIM Bee Lay, aged 62, 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 25 years' experience in LCD field in Singapore and Malaysia. Ms. Lim joined the Group in 2005.

HSIEH Wen Shu, aged 39, is the Senior Manager responsible for the quality assurance and process engineering of the LCM factory. Mr. Hsieh holds a degree in Electric Optical Engineering from National Yunlin Polytechnic Institute in Taiwan. He has over 14 years' relevant experience and joined the Group in 2005.

HSIEH Chi Liang, aged 37, is the Senior Manager for product development of LCD and LCM products. Mr. Hsieh has more than 13 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 37, 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 11 years' experience in customer service management, sales and marketing. Mr. Tsui joined the Group in 2000.

HUANG Wen Huei, aged 36, 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 9 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 33, is 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.

YANG Ying Jun, aged 44, is the Chief Accountant of the Group. Mr Yang has extensive experience in finance and accounting. He graduated from Xi'an University of Technology with a Bachelor's Degree. He is a member of the Chinese Institute of Certified Public Accountants. He joined the Group in 2005.

CHEN Chih Chiang, aged 42, is the Senior Manager responsible for the Indium Tin Oxide Coating. He is also in charge of the production facilities, plant and equipment of the LCD and LCM factory. Mr. Chen has 12 years' experience in factory construction and production facilities management of LCD and LCM factory. He joined the Group in 2011.

SHEN Chi Hsiung, aged 46, is the Director of Sales responsible for the sales in Greater China market. Mr. Shen has 13 years' experience in marketing of LCD and LCM in Greater China and maintains good relationship with Taiwanese customers and has in-depth knowledge of the Taiwan market. Mr. Shen joined the Group in 2010.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to present to our shareholders the final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2011.

The revenue of the Group for the current year was approximately HK$647 million (2010: HK$455 million), representing an increase of 42% over last year. Profit attributable to equity holders of the Company was approximately HK$1,171 million (2010: loss of HK$130 million). The profit for the year is mainly attributable to the recognition of the gain on deemed disposal of Nantong Jianghai Capacitor Company Ltd ("Nantong Jianghai") of HK$1,081 million, less the related deferred tax on the initial public offering of it's A Shares in the Shenzhen Stock Exchange.

Amid the recovering global economy and the rapidly growing economy in China, the Group promptly adjusted its business strategies by focusing on profitability, expanding production of high-value products and developing high-end customer base. Moreover, the Group also employed effective measures to enhance the productivity and production efficiency to address various challenges such as increase of prices of raw materials and rise of labour costs. As a result of all these measures, the Group's pre-tax profit contribution (excluding its share of results of associates and jointly controlled entities) increased to approximately HK$70 million (2010: HK$17 million).

To increase its production capacity especially that of high-value products, the Group expanded its production facilities during the year. It is expected that the new production line will be put into trial production in the financial year ended 31st March, 2012.

In addition to the gain on deemed disposal pursuant to the initial public offering, Nantong Jianghai continued to perform well in its core business of manufacture and sales of aluminium electrolytic capacitors and related components.

The Group will continue to capitalize on its strength in marketing and production capacity to maintain its market competitiveness and market share. Supported by prudent financial management, the Group is well positioned to overcome various challenges in future.

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, 29th June, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The Group recorded a consolidated turnover for the year ended 31st March, 2011 of approximately HK$647 million (2010: HK$455 million), and profit attributable to equity holders of the Company of approximately HK$1,171 million (2010: loss of HK$130 million). Turnover of Liquid Crystal Display ("LCD") increased by approximately HK$61 million from HK$273 million to HK$334 million, and turnover of Liquid Crystal Display Module ("LCM") increased by approximately HK$132 million from HK$181 million to HK$313 million. In response to the rise in labour costs, shortage of material supply and continuous increase in material prices, the Group adopted effective measures such as making adjustments to operating strategies, optimizing products mix and increasing selling prices in this year. In production, the Group has also improved production yield and enhanced labour efficiency. As a result, the performance of the core display business of the Group recorded a significant improvement. As shown in the revenue and segment information, LCD segment recorded an increase in profit of HK$17 million from HK$17 million of last year to HK$34 million this year, and LCM segment recorded an increase in profit of HK$23 million from HK$5 million of last year to HK$28 million this year.

The Group recorded a gross profit of approximately HK$122 million (2010: HK$65 million) for the year ended 31st March, 2011, representing increase of HK$57 million or 88%. The gross profit margin was 19% (2010: 14%), up 5%. Both increases were mainly attributable to the development of new products, optimization of product mix and enhancement of production efficiency.

During the year, other income amounted to approximately HK$11 million (2010: HK$9 million), an increase of HK$2 million from last year which was mainly contributed by the increase in dividend income from investments held-for-trading.

Other gains amounted to approximately HK$8 million (2010: HK$2 million), which was mainly attributable to the income arising from and fair value changes of held-for-trading investments.

The selling and distribution expenses amounted to approximately HK$44 million (2010: HK$39 million), accounting for 7% (2010: 7%) of the Group's sales. The increase in selling and distribution expense was mainly due to the increases in business promotion expenses, transportation costs and staff costs.

Administrative expenses for the year ended 31st March, 2011 amounted to approximately HK$27 million (2010: HK$19 million), representing an increase of HK$8 million, which was mainly due to the increase in staff costs.

INVESTMENTS IN ASSOCIATES

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

Nantong Jianghai is mainly engaged in the manufacture and sales of aluminium electrolytic capacitors and related components, and the production and sales of aluminium formed foil for high-performance aluminium electrolytic capacitors.

As at 31st March, 2010, Nantong Jianghai was a 50% owned jointly-controlled entity of the Group. During the year, through its initial public offering ("IPO") in The Shenzhen Stock Exchange by the issuance of A shares, Nantong Jianghai raised additional capital of RMB778 million. Its shares have commenced listing and trading in The Shenzhen Stock Exchange since 29th September, 2010. As a result of the IPO, the Group recognized a gain on deemed disposal, net of the related deferred tax, of approximately HK$1,081 million. Pursuant to the IPO, Nantong Jianghai became a 37.5% owned associate of the Group.

Nantong Jianghai applied the newly raised capital in expanding production capacity and facilities as well as enhancing research and development capabilities, with the aim of enhancing its market share in order to maintain its leading position in the capacitor industry in domestic market.

During the year, the Group's share of profit of Nantong Jianghai and its subsidiaries amounted to approximately HK$27 million (2010: HK$38 million). This is after netting off the Group's contribution to the pension fund of the retired and retiring employees of Nantong Jianghai (the "Fund") of approximately HK$25 million. To show their appreciation of the contribution of the retired and retiring employees of Nantong Jianghai to the success of the IPO, the Group together with the other pre-IPO shareholders of Nantong Jianghai made a one-off contribution to the Fund for the benefits of the retired and retiring employees of Nantong Jianghai. As the status of Nantong Jianghai has changed pursuant to the IPO, the Group's share of the profit of Nantong Jianghai prior to the IPO of HK$27 million is reflected in the consolidated statement of comprehensive income under the item "share of results in a jointly controlled entity", whereas the Group's share of its profit subsequent to the IPO (which is insignificant after netting off the Group's contribution to the Fund) is reflected under the item "share of results of associates".

During the year, Nantong Jianghai further adjusted its product mix by increasing the sale of capacitors for industrial use and strengthening its core competitiveness in technology and market integration capability. As a result, turnover, gross profit as well as net profit of Nantong Jianghai increased significantly as compared to the previous year in spite of the elevation of raw material and labor costs.

Investment in Kunshan Visionox Display Co., Ltd ("Kunshan Visionox")

Kunshan Visionox, an associate company of the Group, was engaged in the manufacture and sales of Organic Light Emitting Diode ("OLED") products. The carrying value of investment of the Group in Kunshan Visionox was fully impaired at the end of both reporting periods.

During the year, the shareholding reorganization between Kunshan Visionox and Beijing Visionox Technology Company Limited ("Beijing Visionox"), another associate company of the Group, was completed. Upon such reorganization, Beijing Visionox became a 100% owned subsidiary of Kunshan Visionox. Beijing Visionox would focus its resources in the research and development of OLED while Kunshan Visionox would dedicate in the manufacture and sales of OLED.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking ahead, the global economy is still uncertain and the raw material cost will continue to rise and labour cost will maintain at high level. Fully acknowledging the various difficulties and challenges ahead, management responds by: (1) in respect of marketing, continuing the existing market strategies of developing high-value products and targeting high end customers, and also adjusting products price so as to transfer certain part of the increase of production costs to customers; (2) in respect of production, continuing to adopt measures to improve production yield and human resources efficiency; (3) in respect of production facilities, devoting more resources to enhance the productivity and production capacity; (4) in respect of research and development, developing products with high quality in response to the changes and requirements of the market; and (5) in respect of financial management, adhering to the prudent fiscal policies and maintaining healthy cashflow to sustain our competitiveness in the market.

As the economic conditions in the United States and Europe are still uncertain; and the economic growth in China could be slowed down due to the tightening of economic measures adopted, the management adopts a cautious view on the growth of the Group's turnover and its profit in the coming year.

LIQUIDITY AND CAPITAL RESOURCES

As at 31st March, 2011, the Group's current ratio was 1.6 (31st March, 2010: 2.4). The gearing ratio, as a ratio of bank borrowings to net worth, was nil (31st March, 2010: nil).

As at 31st March, 2011, the Group had total assets of approximately HK$1,939 million, which were financed by liabilities of HK$331 million and shareholders' equity of HK$1,608 million.

As at 31st March, 2011, the Group's total banking facilities amounted to approximately HK$148 million (31st March, 2010: HK$148 million), of which approximately HK$6 million (31st March, 2010: HK$7 million) were utilized for issuance of letters of credit and bills payable.

Certain subsidiaries of the Group 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, 2011, the Group did not have any material contingent liabilities and there was no charge or pledge on the Group's assets.

MAJOR CUSTOMERS AND SUPPLIERS

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

	2011	2010
Percentage of purchases from the Group's largest supplier	**6%**	8%
Percentage of purchases from the Group's five largest suppliers	**24%**	26%
Percentage of turnover to the Group's largest customer	**7%**	7%
Percentage of turnover to the Group's five largest customers	**21%**	19%

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, 2011, to the best knowledge of the Directors, none of the Directors and their close associates or any shareholders holding 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 has resolved to recommend the payment of a final dividend of HK2 cents per share (2010: HK1 cent) and a special dividend of HK3 cents (2010: nil) per share for the year ended 31st March, 2011 subject to approval of the shareholders of the Company (the "Shareholders") at the forthcoming Annual General Meeting. The final and special dividends will be paid on or about Thursday, 6th October, 2011 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 9th September, 2011.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. Throughout the year ended 31st March, 2011, 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	4/4

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

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

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

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

Chairman and Chief Executive Officer

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

Appointment and Re-election of Directors

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

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

Nomination of Directors

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

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

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

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

BOARD COMMITTEES

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

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. Three meetings were held during the year. The attendance of each member is set out as follows:

Name of Directors	Number of Meetings Attended
Mr. Lau Yuen Sun, Adrian	3/3
Mr. Chu Chi Wai, Allan	3/3
Mr. Li Kwok Wai, Frankie	3/3

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

At the meetings 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 and recommend to the Board the overall remuneration policy for the Directors and senior management.

2. To review and approve the performance based remuneration of the Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

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 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, 2010 and for the six months ended 30th September, 2010;

(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, 2011.

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

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

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

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

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

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

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

AUDITORS' REMUNERATION

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

Services rendered	**Fees paid and payable** *HK$*
Audit services	2,000,000
Non audit services	517,000
	2,517,000

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 flow for that period. In preparing the accounts for the year ended 31st March, 2011, 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 2010 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 2010 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, 2011.

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 35, 16 and 15, respectively, to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2011 are set out in the consolidated statement of comprehensive income on page 26.

The directors now recommend the payment of a final dividend of HK2 cents and a special dividend of HK3 cents per ordinary share to the shareholders on the register of members on 9th September, 2011, amounting to approximately HK$50,558,000, 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$70 million. Details of this and other movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 26 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, 2011 were as follows:

	2011	2010
	HK$'000	*HK$'000*
Contributed surplus	**49,259**	49,259
Retained profits	**60,289**	19,384
	109,548	68,643

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. Li Kwok Wai, Frankie and Mr. Chu Chi Wai, Allan 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, 2011, 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)*	37,862,013	697,692,368	735,554,381	72.74%

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, 2011, 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, 2011, 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(i))*	Directly beneficially owned	697,692,368	69.00%
Esca Investment Limited *(Note(i))*	Indirectly beneficially owned	697,692,368	69.00%
Megastar Venture Limited *(Note(i))*	Indirectly beneficially owned	697,692,368	69.00%
Wong Koon Kau *(Note(ii))*	Directly and Indirectly beneficially owned	67,812,000	6.71%

Note:

(i) 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".

(ii) Mr Wong Koon Kau ("Mr Wong") is the beneficial owner of 51,788,000 shares of the Company. Mr Wong also beneficially owns 50% of Discovery Zone Asia Limited which in turn owns 16,024,000 shares of the Company.

Save as disclosed above, as at 31st March, 2011, 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, 2011 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, 2011.

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, 2011.

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
29th June, 2011

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

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

We have audited the consolidated financial statements of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 79, which comprise the consolidated statement of financial position as at 31st March, 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 of the consolidated financial statements that give a true and fair view 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, 2011, and of the Group's profit 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

29th June, 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2011

	Notes	2011 HK$'000	2010 HK$'000
Revenue	5	**646,798**	454,565
Cost of sales		**(525,063)**	(389,864)
Gross profit		**121,735**	64,701
Other income	6	**10,570**	8,783
Other gains and losses	7	**8,452**	2,160
Selling and distribution expenses		**(43,912)**	(39,314)
Administrative expenses		**(26,790)**	(19,491)
Share of results of associates, net of impairment on interests in associates	15	**3,075**	(183,254)
Share of results of a jointly controlled entity	16	**27,397**	38,235
Gain on deemed disposal of a jointly controlled entity		**1,213,828**	–
Profit (loss) before income tax		**1,314,355**	(128,180)
Income tax expense			
– Deferred tax relating to enterprise income tax on gain on deemed disposal of a jointly controlled entity		**(132,797)**	–
– Others		**(9,081)**	(2,570)
	8	**(141,878)**	(2,570)
Profit (loss) for the year	9	**1,172,477**	(130,750)
Other comprehensive income (expense)			
Exchange differences arising from the translation of foreign operations		**39,622**	(55)
Reclassification adjustment of translation reserve upon deemed disposal of a jointly controlled entity		**(26,459)**	–
Share of exchange difference of an associate		**(3,922)**	–
		9,241	(55)
Total comprehensive income (expense) for the year		**1,181,718**	(130,805)
Profit (loss) attributable to:			
Owners of the Company		**1,170,562**	(130,398)
Non-controlling interests		**1,915**	(352)
		1,172,477	(130,750)
Total comprehensive income (expense) attributable to:			
Owners of the Company		**1,179,661**	(130,453)
Non-controlling interests		**2,057**	(352)
		1,181,718	(130,805)
Earning (loss) per share – basic	13	**HK1.16 dollars**	(HK12.90 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Property, plant and equipment	14	**108,868**	62,492
Prepayment for acquisition of plant and equipment		**36,380**	277
Interests in associates	15	**1,482,925**	–
Interest in a jointly controlled entity	16	**–**	204,332
Available-for-sale investments	17	**2,739**	2,739
Intangible assets	18	**1,459**	1,459
		1,632,371	271,299
Current assets			
Inventories	19	**79,197**	67,667
Trade and other receivables	20	**109,437**	79,403
Bills receivable	21	**4,075**	3,536
Amount due from an associate	15	**–**	65
Held-for-trading investments	22	**48,705**	60,657
Bank balances and cash	23	**65,690**	81,003
		307,104	292,331
Current liabilities			
Trade and other payables	24	**175,697**	112,024
Bills payable	24	**4,116**	3,544
Amount due to an associate	15	**676**	1,040
Tax payable		**12,214**	7,237
		192,703	123,845
Net current assets		**114,401**	168,486
Total assets less current liabilities		**1,746,772**	439,785

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current liability			
Deferred tax liability	25	**138,556**	3,175
		1,608,216	436,610
Capital and reserves			
Share capital	26	**202,231**	202,231
Reserves		**1,403,928**	234,379
Equity attributable to owners of the Company		**1,606,159**	436,610
Non-controlling interests		**2,057**	–
Total equity		**1,608,216**	436,610

The consolidated financial statements on pages 26 to 79 were approved and authorised for issue by the Board of Directors on 29th June, 2011 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, 2011

	Attributable to owners of the company								
	Share capital	Share premium	Capital reserve (Note)	Capital redemption reserve	Translation reserve	Retained profits	Total	Non-controlling interests	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1st April, 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 non-controlling interest	–	–	–	–	–	–	–	352	352
Dividends recognised as distribution *(note 12)*	–	–	–	–	–	(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
Profit for the year	–	–	–	–	–	1,170,562	1,170,562	1,915	1,172,477
Other comprehensive income for the year									
Exchange difference arising on translation of foreign operations	–	–	–	–	39,480	–	39,480	142	39,622
Reclassification adjustment of translation reserve upon deemed disposal of a jointly controlled entity	–	–	–	–	(26,459)	–	(26,459)	–	(26,459)
Share of exchange difference of an associate	–	–	–	–	(3,922)	–	(3,922)	–	(3,922)
Total comprehensive income for the year	–	–	–	–	9,099	1,170,562	1,179,661	2,057	1,181,718
Dividends recognised as distribution *(note 12)*	–	–	–	–	–	(10,112)	(10,112)	–	(10,112)
At 31st March, 2011	202,231	126,763	2,125	7,829	63,389	1,203,822	1,606,159	2,057	1,608,216

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 the 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, 2011

	2011 HK$'000	2010 HK$'000
Operating activities		
Profit (loss) before income tax	**1,314,355**	(128,180)
Adjustments for:		
Share of results of associates, net of impairment on interests in associates	**(3,075)**	183,254
Share of results of a jointly controlled entity	**(27,397)**	(38,235)
Interest income	**(362)**	(139)
Depreciation	**23,255**	30,563
Gain on deemed disposal of a jointly controlled entity	**(1,213,828)**	–
Gain on disposal of available-for-sale investments	**–**	(1,546)
Gain on disposal of property, plant and equipment	**(155)**	(221)
Allowance for doubtful debts	**3,979**	6,007
Allowance for inventories	**4,122**	8,953
Operating cash flows before movements in working capital	**100,894**	60,456
Increase in inventories	**(15,652)**	(17,934)
Increase in trade and other receivables	**(34,251)**	(14,248)
(Increase) decrease in bills receivable	**(539)**	792
Decrease (increase) in held-for-trading investments	**11,952**	(60,657)
Increase in trade and other payables	**38,275**	22,655
Increase in bills payable	**572**	2,615
Net cash from (used in) operations	**101,251**	(6,321)
Income tax paid	**(1,520)**	(421)
Net cash from (used in) operating activities	**99,731**	(6,742)

	Note	2011 HK$'000	2010 HK$'000
Investing activities			
Dividend received from the jointly controlled entity		**–**	37,959
Interest received		**362**	139
Proceeds from disposals of available-for-sale investments		**–**	1,546
Proceeds from disposals of property, plant and equipment		**188**	227
Acquisition of assets and liabilities through acquisition of a subsidiary	33	**(21,337)**	–
Purchase of property, plant and equipment		**(48,290)**	(3,995)
Prepayment for acquisition of plant and equipment		**(36,103)**	(277)
Net cash (used in) from investing activities		**(105,180)**	35,599
Financing activities			
Dividend paid		**(10,112)**	(10,112)
Net repayment of amount due to an associate		**(299)**	(351)
Capital contribution from a non-controlling interest		**–**	352
Net cash used in financing activities		**(10,411)**	(10,111)
Net (decrease) increase in cash and cash equivalents		**(15,860)**	18,746
Effect of changes in exchange rates		**547**	(407)
Cash and cash equivalents at beginning of the year		**81,003**	62,664
Cash and cash equivalents at end of the year, represented by bank balances and cash		**65,690**	81,003

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 is also 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 HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Transitional requirements for consequential amendments as a result of HKAS 27 (2008) – part of improvements to HKFRSs issued 2010
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK – Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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

Except as described below, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

HKAS 31 (as revised in 2008) Interests in Joint Ventures (part of consequential amendments to HKAS 27 (2008))

The principle adopted in HKAS 27 (Revised 2008) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by the consequential amendments to HKAS 31 *Interests in Joint Ventures* such that, on the loss of joint control, the Group measures at fair value any retained interest in the former jointly controlled entity with any consequential gain or loss recognised in profit or loss. Also, Improvements to HKFRSs issued in 2010, which clarified that such amendments to HKAS 31 as a result of HKAS 27 (Revised 2008) should be applied prospectively (with the exception of paragraph 46 of HKAS 31, which should be applied retrospectively), has been adopted by the Group in advance of its effective date.

The amendments above have affected the accounting for the deemed partial disposal of the Group's interest in Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai") which occurred in the current year. The amount of HK$1,213,828,000, being the difference between the carrying amount and fair value of the interest retained in Nantong Jianghai, adjusted for reclassification adjustment from translation reserve, has been recognised as a gain on the deemed disposal of the jointly controlled entity in profit or loss. Had the Group's previous accounting policy been followed, the share of net assets of the retained 37.5% interest would have been regarded as cost for the purpose of subsequent accounting as an interest in an associate under HKAS 28 *Investments in Associates*. Under the previous accounting policy, the dilution of interest in Nantong Jianghai would be recognised as gain on deemed partial disposal of interest in Nantong Jianghai with the translation reserve being proportionately recycled to the profit or loss. As a result, the change in accounting policy has resulted in an increase in profit and basic earning per share for the year of HK$792,745,000 and HK78 cents per share, respectively and the balance of interests in associates increased by HK$925,701,000 and deferred tax liability increased by HK$132,797,000 at the end of the reporting period.

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010 except for the Amendments to HKAS 31[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (Revised 2009)	Related Party Disclosures[6]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

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

[1] Effective for annual periods beginning on or after 1st July, 2010 or 1st January, 2011, as appropriate.
[2] Effective for annual periods beginning on or after 1st July, 2010.
[3] Effective for annual periods beginning on or after 1st July, 2011.
[4] Effective for annual periods beginning on or after 1st January, 2013.
[5] Effective for annual periods beginning on or after 1st January, 2012.
[6] Effective for annual periods beginning on or after 1st January, 2011.

HKFRS 9 *Financial Instruments* (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 *Financial Instruments* (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1st April, 2013 and that the application of the new Standard may have an impact on amounts reported in respect of the Groups' financial assets and financial liabilities, in particular the classification and measurement of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The directors of the Company anticipate that the application of the other new and revised HKFRSs above will have no material impact on the results and the consolidated financial position of the Group.

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

In addition to the above, the HKICPA issued the following new and revised standards on 24th June, 2011.

HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures

These new or revised standards are mandatorily effective for annual periods beginning on or after 1st January, 2013. Early application is permitted. However, excluding HKFRS 13, if an entity chooses to apply any of the other five new or revised standards early, it must apply all five at the same time. The directors anticipate these standards will be adopted in the Group's consolidated financial statements for the period beginning 1st April, 2013. The directors have not yet had an opportunity to consider the potential impact of the adoption of these standards.

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. Historical cost is generally based on the fair value of the consideration given in exchange of goods.

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.

The principal accounting policies are set out below.

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 and 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 in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1st April, 2010, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Interests in associates

An associate is an entity over which the Group 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.

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 initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. When the Group's share of losses of an associate 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. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income 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. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the jointly controlled entities recognized at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a jointly controlled entity. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

From 1st April, 2010 onwards, upon disposal of a jointly controlled entity that results in the Group losing joint control over that jointly controlled entity, any retained investment is measured at fair value at that date and the fair value becomes the initial carrying amount of the investment retained on initial recognition. The difference between the previous carrying amount of the jointly controlled entity attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the jointly controlled entity. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that jointly controlled entity on the same basis as would be required if that jointly controlled entity had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that jointly controlled entity would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses joint control over that jointly controlled entity.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest in a jointly controlled entity (continued)

When a group entity transacts with its jointly controlled entity, profits and losses resulting from the transactions with the jointly controlled entity are recognised in the Group' consolidated financial statements only to the extent of interests in the jointly controlled entity that are not related to the Group.

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 the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Dividend income from investments is recognised when the shareholders' rights to receive payments have been established (provided that it is probable that the economic benefit will flow to the Group and the amount of revenue can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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 amortisation of prepaid lease payments provided during the construction period 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).

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 lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

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 when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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).

From 1st April, 2010 onwards, on a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. For partial disposals of a jointly controlled entity or associate (for example, partial disposal of associate that does not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

Payments to defined contribution retirement benefit plans, state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (the “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 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 temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences 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 the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits 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 rates (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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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.

Financial assets at 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.

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, 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 of 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.

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 are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment of financial assets below).

Impairment of financial assets

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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 reserves.

Financial liabilities and equity instruments

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.

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 (including all fee 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 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 in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment loss on tangible and intangible assets with finite useful lives

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets 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. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an 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.

Where 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. 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 following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of interests in unlisted associates

Determining whether interests in unlisted 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 associates, including the cash flows from the operations of the associates and the proceeds on the ultimate disposal of the investment. The carrying amount of interests in unlisted associates is fully impaired at the end of both reporting periods.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Allowances for inventories

The management of the Group reviews an aging analysis at the end of 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 recognised allowances for inventories amounting to approximately HK$4,122,000 (2010: HK$8,953,000). As at 31st March, 2011, the carrying amount of inventories is HK$79,197,000 (2010: HK$67,667,000).

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 recognised impairment losses on receivables amounting to approximately HK$3,979,000 (2010: HK$6,007,000). As at 31st March 2011, the carrying amount of trade and other receivables is HK$109,437,000 (2010: HK$79,403,000).

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 is organised into two operating divisions according to the types of products sold, which are LCDs and LCMs that are widely used in electronic consumer products. The Group's operating segments are determined based on information reported to the chief operating decision maker ("CODM"), the board of directors, for the purposes of resource allocation and performance assessment.

5. REVENUE AND SEGMENT INFORMATION (continued)

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

2011

	LCDs	LCMs	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue					
External sales	334,092	312,706	646,798	–	646,798
Inter-segment sales	64,093	–	64,093	(64,093)	–
Total	398,185	312,706	710,891	(64,093)	646,798
Segment profit	33,773	28,257	62,030	–	62,030
Interest income					362
Dividend income					1,888
Gain on fair value changes of held-for-trading investments					9,529
Unallocated administrative costs					(2,522)
Net exchange loss					(1,232)
Share of result of associates, net of impairment on interests in associates					3,075
Share of result of a jointly controlled entity					27,397
Gain on deemed disposal of a jointly controlled entity					1,213,828
Profit before income tax					1,314,355

5. REVENUE AND SEGMENT INFORMATION (continued)

2010

	LCDs	LCMs	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue					
External sales	273,182	181,383	454,565	–	454,565
Inter-segment sales	34,890	–	34,890	(34,890)	–
Total	308,072	181,383	489,455	(34,890)	454,565
Segment profit	16,541	4,533	21,074	–	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, net of impairment on interests in associates					(183,254)
Share of result of a jointly controlled entity					38,235
Loss before income tax					(128,180)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit generated from each segment, net of selling and distribution costs and administrative 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, gain on deemed disposal of a jointly controlled entity and share of results of a jointly controlled entity and share of results of associate, net of impairment on interests in associates. 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:

2011

	LCDs HK$'000	LCMs HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Depreciation	**18,041**	**5,035**	**23,076**	**179**	**23,255**
Gain on disposal of property, plant and equipment	**(155)**	**–**	**(155)**	**–**	**(155)**
Allowance for doubtful debts	**2,202**	**1,777**	**3,979**	**–**	**3,979**
Allowance (reversal of allowance) for obsolete inventories	**7,170**	**(3,048)**	**4,122**	**–**	**4,122**

2010

	LCDs HK$'000	LCMs HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Depreciation	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

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 assets or liabilities are allocated to the operating segments. Therefore, no analysis of segment assets and 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	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**183,595**	137,516	**7,048**	7,094
Other regions of the PRC	**88,277**	70,333	**139,356**	56,942
Japan	**78,032**	66,057	**–**	–
United States	**71,508**	50,805	**–**	–
Taiwan	**59,772**	22,094	**–**	–
Germany	**47,623**	23,979	**–**	–
Other European countries	**82,675**	45,047	**303**	192
Other Asian countries	**30,737**	22,413	**–**	–
Other countries	**4,579**	16,321	**–**	–
	646,798	454,565	**146,707**	64,228

Note: Non-current assets excluded interests in associates and the jointly controlled entity, and available-for-sale investments.

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

6. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Interest on bank deposits	**362**	139
Dividend income from investments held-for-trading	**1,888**	349
Tooling income	**3,969**	4,087
Scrap sales	**2,388**	1,570
Others	**1,963**	2,638
	10,570	8,783

7. OTHER GAINS AND LOSSES

	2011	2010
	HK$'000	*HK$'000*
Gain on disposal of available-for-sale investments	**–**	1,546
Gain on fair value changes of held-for-trading investments	**9,529**	363
Gain on disposal of property, plant and equipment	**155**	221
Net exchange (loss) gain	**(1,232)**	30
	8,452	2,160

8. INCOME TAX EXPENSE

	2011	2010
	HK$'000	*HK$'000*
The income tax expense comprises:		
Current tax		
Hong Kong	**1,866**	–
Other jurisdictions	**4,626**	658
	6,492	658
Underprovision in prior years		
Hong Kong	**5**	–
Deferred taxation *(note 25)*		
Charge for the year	**135,381**	1,912
	141,878	2,570

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Included in other jurisdictions is mainly PRC Enterprise Income Tax. 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. Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

Certain of the Group's 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 their first profit making year, followed by a 50% reduction for the subsequent three years. Although the "2+3" tax holiday had been revoked under the EIT Law, these PRC subsidiaries were protected under grandfather relief and 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 was 12.5%.

8. INCOME TAX EXPENSE (continued)

Under the EIT Law, distributable profits earned by foreign investment enterprises from 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-PRC 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 (associate since September 2010). No deferred tax liabilities have been recognised in respect of the PRC subsidiaries and the remaining associates as the subsidiaries and the remaining associates have no distributable profits since 1st January, 2008.

Deferred tax relating to EIT on gain derived from deemed disposal of a jointly controlled entity is determined based on the assumed sales proceeds and original investment cost. The applicable EIT rate for non-PRC residents which is payable on a withholding basis is 10%.

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

	2011	2010
	HK$'000	*HK$'000*
Profit (loss) before income tax	**1,314,355**	(128,180)
Tax at Hong Kong Profits Tax rate of 16.5%	**216,869**	(21,150)
Tax effect of share of results of associates	**(4,698)**	2,623
Tax effect of share of results of a jointly controlled entity	**(4,521)**	(6,308)
Tax effect of expenses that are not deductible for tax purpose	**6,742**	29,720
Tax effect of income not taxable for tax purpose	**(6,016)**	(843)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,044**	(1,832)
Underprovision in respect of prior years	**5**	–
Utilisation of tax losses previously not recognised	**(1,589)**	(1,612)
Utilisation of deductible temporary differences previously not recognised	**(1,077)**	–
Withholding tax for undistributed profits in an associate/a jointly controlled entity	**2,597**	1,912
Effect of different tax rate arising from gain on deemed disposal of a jointly controlled entity	**(67,484)**	–
Others	**6**	60
Income tax expense for the year	**141,878**	2,570

9. PROFIT (LOSS) FOR THE YEAR

	2011 HK$'000	2010 HK$'000
Profit (loss) for the year has been arrived at after charging:		
Auditor's remuneration	**2,171**	1,620
Cost of inventories recognised as expenses	**520,941**	380,911
Allowances for obsolete inventories (included in cost of sales)	**4,122**	8,953
Depreciation of property, plant and equipment	**23,255**	30,563
Staff costs, including directors' emoluments *(note 10)*	**144,579**	91,820
Allowance for doubtful debts	**3,979**	6,007
Share of tax of an associate (included in share of results of associates)	**2,485**	–
Share of tax of a jointly controlled entity (included in share of results of a jointly controlled entity)	**3,944**	6,304

10. DIRECTORS' EMOLUMENTS

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

Year ended 31st March, 2011

	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	–	–	–	250	250	250	750
Other emoluments							
Salaries and other benefits	1,440	1,354	720	–	–	–	3,514
Performance related incentive payments *(Note)*	–	2,500	1,170	–	–	–	3,670
Retirement benefit scheme contributions	–	193	95	–	–	–	288
Total emoluments	1,440	4,047	1,985	250	250	250	8,222

10. DIRECTORS' EMOLUMENTS (continued)

Year ended 31st March, 2010

	Fang Hung, Kenneth	Li Kwok Wai, Frankie	Leung Tze Kuen	Tien Pei Chun, James	Chu Chi Wai, Allan	Lau Yuen Sun, Adrian	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*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

Note: The performance related incentive payment is determined on a discretionary basis with reference to operating results of the principal activities of the Group.

No director waived any emoluments for the two years ended 31st March, 2011.

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2010: three) were directors of the Company whose emoluments are included in note 10 above. The emoluments of the remaining three (2010: two) individuals were as follows:

	2011	2010
	HK$'000	*HK$'000*
Salaries and other benefits	**1,559**	1,049
Performance related incentive payments	**4,677**	262
Retirement benefit scheme contributions	**75**	55
Total emoluments	**6,311**	1,366

11. EMPLOYEES' EMOLUMENTS (continued)

Their emoluments were within the following bands:

	2011 No. of employees	2010 No. of employees
HK$ nil to HK$1,000,000	**–**	2
HK$1,000,001 to HK$1,500,000	**–**	–
HK$1,500,001 to HK$2,000,000	**–**	–
HK$2,000,001 to HK$2,500,000	**3**	–

12. DIVIDEND

Dividends recognised as distributions during the year:

	2011 *HK$'000*	2010 *HK$'000*
Final dividend in respect of the year ended 31st March, 2010 of HK1 cent per share (2010: final dividend in respect of the year ended 31st March, 2009 of HK1 cent per share)	**10,112**	10,112

Proposed final and special dividends:

	2011 *HK$'000*	2010 *HK$'000*
Final – HK2 cents (2010: HK1 cent) per share	**20,223**	10,112
Special – HK3 cents (2010: Nil) per share	**30,335**	–
	50,558	10,112

The proposed final and special dividends for the year are subject to approval by the shareholders in the forthcoming general meeting.

13. EARNING (LOSS) PER SHARE

The calculation of the basic earning (loss) per share is based on the profit (loss) attributable to the owners of the Company for the year and 1,011,155,171 (2010: 1,011,155,171) ordinary shares in issue.

No diluted earning per share is presented as there was no potential ordinary shares outstanding during the year and as at the end of reporting date.

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings 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, 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
Exchange realignment	–	25	106	–	18	–	149
Additions	35,761	105	425	641	773	31,922	69,627
Disposals	–	–	–	(5,862)	(133)	–	(5,995)
Transfers	165	667	67	2,661	–	(3,560)	–
At 31st March, 2011	54,057	33,151	14,610	272,969	5,455	30,902	411,144
DEPRECIATION AND AMORTISATION							
At 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
Exchange realignment	–	15	86	–	11	–	112
Provided for the year	1,317	2,180	1,152	18,359	247	–	23,255
Eliminated on disposals	–	–	–	(5,855)	(107)	–	(5,962)
At 31st March, 2011	9,049	29,789	12,614	246,393	4,431	–	302,276
CARRYING VALUES							
At 31st March, 2011	45,008	3,362	1,996	26,576	1,024	30,902	108,868
At 31st March, 2010	10,399	4,760	2,636	41,640	517	2,540	62,492

14. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Land and buildings	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 land and buildings shown above comprises:

	2011	2010
	HK$'000	*HK$'000*
Land and buildings in Hong Kong held under medium-term leases	**3,177**	3,355
Land and buildings outside Hong Kong held under:		
Freehold	**797**	834
Medium-term leases	**41,034**	6,210
	45,008	10,399

15. ASSOCIATES

Interests in associates

	2011	2010
	HK$'000	*HK$'000*
Cost of investment in associates		
Listed in the PRC	**1,423,811**	–
Unlisted	**245,410**	245,410
Share of post-acquisition results, other comprehensive income and impairment loss recognised	**(186,296)**	(245,410)
	1,482,925	–
Fair value of listed investments	**1,923,458**	–

15. ASSOCIATES (continued)

Interests in associates (continued)

Details of the Group's principal associates as at 31st March, 2011 and 2010 are as follows:

Name	Form of business	Place of incorporation or registration/ operation	Proportion of nominal value of issued capital held by the Group 2011	2010	Principal activities
Crown Capital Holdings Limited ("Crown Capital") *(Note a)*	Incorporated	The BVI	**47.05%**	47.05%	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	**34.58%**	41.82% *(Note b)*	Development, manufacturing and selling of organic light products emitted display ("OLED") products
Nantong Jianghai	Incorporated	The PRC	**37.5%** *(Note c)*	–	Manufacturing and selling of aluminum electrolytic capacitors

Note: (a) During the year ended 31st March, 2009, the Group entered into a series of agreements in relation to the restructuring of Kunshan Visionox ("Restructuring Agreements"). Pursuant to the Restructuring Agreements, Kunshan Visionox agreed to acquire the entire equity interest of Beijing Visionox Technology Company Limited ("Beijing Visionox"), a sino-foreign cooperate joint venture established in the PRC, at a consideration of its 17.3% effective shareholdings. The restructuring process was completed during the year ended 31st March, 2011.

As a result of the restructuring, Crown Capital disposed of its 73.22% interest, in Beijing Visionox in exchange of 12.66% equity interest of Kunshan Visionox during the year ended 31st March, 2011. Crown Capital is effectively held by the Group at 47.05%.

(b) As at 31st March, 2011, the Group, through a wholly-owned subsidiary, held 34.58% issued capital in Kunshan Visionox. In addition, Crown Capital, held another 12.66% issued capital in Kunshan Visionox. Pursuant to the Restructuring Agreements, the Group's effective interest in Kunshan Visionox has been decreased due to the dilution effects arising from new investors who are the original shareholders, including Crown Capital, of Beijing Visionox.

The directors of the Company considered the financial impact of the restructuring to the Group is insignificant as the carrying amount of the interest in Kunshan Visionox and Crown Capital were fully impaired.

(c) In September 2010, pursuant to the initial public offering ("IPO") of Nantong Jianghai whose shares were then listed on the Shenzhen Stock Exchange, the Group's shareholding in Nantong Jianghai had been diluted from 50% to 37.5%, resulting in a change of status from a jointly controlled entity to an associate. This transaction has resulted in the recognition of a gain on deemed disposal of interest in a jointly controlled entity in the consolidated statement of comprehensive income. Details of the deemed disposal are included in note 16.

15. ASSOCIATES (continued)

Interests in associates (continued)

Due to the slower than expected development of the OLED business, which in turn affects the business of Kunshan Visionox and Beijing Visionox, which are principally engaged in the development, manufacturing and selling of OLED products. At the end of the reporting period, the Group assessed the recoverable amount of the entire carrying amount of its interests in these unlisted associates. The recoverable amount has been determined on the basis of value in use calculation. That calculation uses cash flow forecasts derived from the most recent financial budgets and forecast over the ten-year period, approved by the management using a discount rate of 17% (2010: 17%) and growth rate of turnover ranging from nil to 4.5% for the first four years and remain steady for the remaining periods (2010: ranging from 10% to 3% for the first two years and remain steady in remaining periods). The directors reviewed the anticipated profitability and the anticipated future operating cash flows of Kunshan Visionox and Beijing Visionox. The directors of the Company considered that the carrying amount of the interests in the unlisted associates were fully impaired at the end of both reporting periods.

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

Financial position

	2011 ***HK$'000***	2010 *HK$'000* (restated)
Total assets	**2,470,301**	546,826
Total liabilities	**(622,266)**	(216,473)
Net assets	**1,848,035**	330,353
Group's share of net assets of associates	**682,118**	137,079

Share of results of associates, net of impairment on interests in associates:

	2011 ***HK$'000***	2010 *HK$'000*
Share of profit (loss) of associates, net of impairment loss on interests in associates	**28,473**	(183,254)
Group's contribution to the pension fund for the employees of an associate *(note)*	**(25,398)**	–
	3,075	(183,254)

Note: Included in the Group's share of results of associates, net of impairment on interests in associates, for the year ended 31st March, 2011 is an amount of HK$25,398,000 which relates to the Group's contribution to the pension fund (the "Fund") for the retired and retiring employees of Nantong Jianghai, an associate of the Group. To show their appreciation of the retired and retiring employees of Nantong Jianghai for their contribution to the successful listing of Nantong Jianghai on the Shenzhen Stock Exchange, the Group together with the other pre-IPO shareholders of Nantong Jianghai made a one-off contribution to the Fund. The Fund is held by a trustee who is independent from the Group and the associate and it is to be used solely for the retirement benefits of the retired and retiring employees of Nantong Jianghai.

15. ASSOCIATES (continued)

Results for the year

	2011 *HK$'000*	2010 *HK$'000* (restated)
Revenue	**714,165**	107,296
Profit (loss) for the year	**101,848**	(47,953)
Other comprehensive income	**7,761**	1,183
Group's share of associates' profits (loss) for the year	**40,737**	(20,846)

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

	2011 *HK$'000*	2010 *HK$'000* (restated)
Unrecognised share of loss of associates for the year	**–**	4,453
Accumulated unrecognised share of losses of associates	**–**	7,851

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

16. INTEREST IN A JOINTLY CONTROLLED ENTITY

	2011 *HK$'000*	2010 *HK$'000*
Cost of unlisted investment in a jointly controlled entity	**–**	95,840
Share of post-acquisition profits and other comprehensive income, net of dividends received	**–**	108,492
	–	204,332

16. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

At 31st March, 2010, the Group had interest in the following jointly controlled entity:

Name of entity	Place of registration and operation	Proportion of nominal value of issued capital held by the Group 2011	2010	Principal activities
Nantong Jianghai	The PRC	–	50%	Manufacturing and trading of aluminum electrolytic capacitors

At 31st March, 2010, the Group held a 50% interest in Nantong Jianghai and accounted for the investment as a jointly controlled entity. In September 2010, pursuant to the IPO of Nantong Jianghai whose shares were then listed on the Shenzhen Stock Exchange, the Group's shareholding in Nantong Jianghai had been diluted from 50% to 37.5%, resulting in a change of status from a jointly controlled entity to an associate.

The Group has retained a 37.5% interest and recognised it as its fair value, calculated at IPO offering price RMB20.5 per share, as interest in an associate. This transaction has resulted in the recognition of a gain on deemed disposal of interest in a jointly controlled entity in the consolidated statement of comprehensive income which was calculated as follows:

	HK$'000
Fair value of investment retained	1,423,811
Less: carrying amount of investment on the date of change of status from a jointly controlled entity to an associate	(236,442)
Add: reclassification adjustment of translation reserve	26,459
Gain on deemed disposal	1,213,828

The Group has undertaken not to dispose of any part or whole of its interests in Nantong Jianghai within three years of its listing.

16. INTEREST IN A JOINTLY CONTROLLED ENTITY (continued)

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

	2011	2010
	HK$'000	*HK$'000*
Current assets	**–**	197,132
Non-current assets	**–**	170,488
Current liabilities	**–**	148,309
Non-current liabilities	**–**	14,979
Revenue	**245,138**	375,565
Expense	**217,741**	337,330
Other comprehensive income	**4,713**	–

17. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments represent unlisted equity securities of a private entity engaging in manufacturing and sales 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.

18. INTANGIBLE ASSETS

The intangible assets represent club memberships with indefinite useful lives.

The club memberships currently have a 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.

19. INVENTORIES

	2011	2010
	HK$'000	*HK$'000*
Raw materials	**38,349**	35,710
Work in progress	**14,696**	18,447
Finished goods	**26,152**	13,510
	79,197	67,667

20. TRADE AND OTHER RECEIVABLES

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**93,316**	74,511
Other receivables	**2,868**	2,616
Deposits	**8,359**	1,279
Prepayments	**4,894**	997
	109,437	79,403

The Group's trade and other receivables that are denominated in currencies other than functional currencies of the relevant group entities as stated in note 28b(i) amounted to HK$60,303,000 (2010: HK$54,415,000).

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:

	2011	2010
	HK$'000	*HK$'000*
1 – 30 days	**48,375**	37,833
31 – 60 days	**21,199**	21,379
61 – 90 days	**17,389**	13,815
91 – 120 days	**6,353**	1,484
	93,316	74,511

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

20. TRADE AND OTHER RECEIVABLES (continued)

Included in the Group's trade receivable balance are debtors with a carrying amount of approximately HK$18,063,000 (2010: HK$16,780,000) which are past due at the reporting date for which the Group has not provided for historical 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.

All trade receivables which are past due but not impaired amounting to HK$18,063,000 (2010: HK$16,780,000) are 1 – 30 days overdue based on the payment due date.

Movement in the allowance for doubtful debts

	2011	2010
	HK$'000	*HK$'000*
Balance at beginning of the year	**22,102**	18,651
Currency realignment	**238**	83
Impairment losses recognised	**3,979**	6,007
Amounts written off	**(5,932)**	(2,639)
Balance at end of the year	**20,387**	22,102

Included in the allowance for doubtful debts are individually impaired trade and other receivables with a balance of HK$20,387,000 (2010: HK$22,102,000) which have continuous delinquent payments. The Group does not hold any collateral over these balances.

21. BILLS RECEIVABLE

All the Group's bills receivable at 31st March, 2011 and 2010 were due within 90 days.

22. 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.

23. 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 1.21% (2010: 0.01% to 1.17%) per annum.

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities as stated in note 28b(i) amounted to HK$49,168,000 (2010: HK$56,607,000).

24. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

	2011	2010
	HK$'000	*HK$'000*
Trade payables	**71,810**	57,769
Accrued charges	**57,708**	37,294
Other payables	**50,295**	20,505
	179,813	115,568
Amount analysed for reporting purposes as:		
Trade and other payables	**175,697**	112,024
Bills payable	**4,116**	3,544
	179,813	115,568

Included in other payables at 31st March, 2011 is an amount of payable to the pension fund for the employees of an associate amounting to HK$25,398,000 as described in note 15.

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

	2011	2010
	HK$'000	*HK$'000*
Up to 30 days	**25,059**	21,039
31 – 60 days	**14,953**	13,888
61 – 90 days	**17,506**	11,438
91 – 120 days	**6,659**	6,461
Over 120 days	**7,633**	4,943
	71,810	57,769

All the Group's bills payables as at 31st March, 2011 and 2010 were due within 90 days.

The Group's trade and other payables that are denominated in currencies other than functional currencies of the relevant group entities as stated in note 28b(i) amounted to HK$54,064,000 (2010: HK$76,484,000).

25. DEFERRED TAXATION

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

	Gain on deemed disposal of a jointly controlled entity	Undistributed profits in a jointly controlled entity/ associate	Accelerated tax depreciation	Temporary differences on allowance for receivables	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2009	–	1,263	328	–	(328)	1,263
Charge (credit) to profit or loss	–	1,912	(86)	–	86	1,912
At 31st March, 2010 and 1st April, 2010	–	3,175	242	–	(242)	3,175
Charge (credit) to profit or loss	132,797	2,597	(14)	(241)	242	135,381
At 31st March, 2011	132,797	5,772	228	(241)	–	138,556

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:

	2011	2010
	HK$'000	*HK$'000*
Deferred tax assets	**241**	–
Deferred tax liabilities	**(138,797)**	(3,175)
	(138,556)	(3,175)

At the end of the reporting period, the Group had unused tax losses of HK$11.3 million (2010: HK$22.5 million) and temporary differences on allowance for receivables of HK$5.5 million (2010: HK$12 million) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses for the year ended 31st March, 2011 (2010: HK$1.5 million). No deferred tax asset has been recognised in respect of the remaining tax losses of HK$11.3 million (2010: HK$21 million) and temporary differences on allowance for receivables of HK$4 million (2010: HK$12 million) due to the unpredictability of future profit streams. The unrecognised tax losses may be carried forward indefinitely.

As a result of the gain on deemed disposal of the jointly controlled entity as described in note 16, deferred tax at 10% amounting to HK$132,797,000 is recognised on the gain.

26. SHARE CAPITAL

	Number of shares		Share Capital	
	2011	2010	**2011**	2010
	'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, 2011 and 2010.

27. 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.

28. FINANCIAL INSTRUMENTS

28a. Categories of financial instruments

	2011	2010
	HK$'000	*HK$'000*
Financial assets		
Loans and receivables		
(including cash and cash equivalents)		
Trade and other receivables	**96,184**	77,127
Bills receivable	**4,075**	3,536
Bank balances and cash	**65,690**	81,003
Amount due from an associate	**–**	65
	165,949	161,731
Available-for-sale investments	**2,739**	2,739
Held-for-trading investments	**48,705**	60,657

	2011	2010
	HK$'000	*HK$'000*
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**117,990**	74,937
Bills payable	**4,116**	3,544
Amount due to an associate	**676**	1,040
	122,782	79,521

28b. 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. 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.

28. FINANCIAL INSTRUMENTS (continued)

28b. Financial risk management and policies (continued)

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 56% (2010: 71%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale, whilst approximately 79% (2010: 88%) of purchases of raw materials are denominated in currencies other than the functional currency of the group entities.

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	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Renminbi ("RMB")	**45,120**	25,056	**49,320**	28,956
Taiwan dollars ("NTD")	**6,837**	8,234	**1**	59
United States dollars ("USD")	**56,633**	74,363	**27,739**	31,967

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 an increase in post-tax profit (2010: a decrease in post-tax loss) where the functional currencies of the relevant group entities 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 profit (2010: loss), and the balances below would be negative.

	2011	2010
	HK$'000	*HK$'000*
RMB	**175**	163
NTD	**(285)**	(341)

28. FINANCIAL INSTRUMENTS (continued)

28b. Financial risk management and policies (continued)

Market risks (continued)

(i) *Currency risk* (continued)

Sensitivity analysis (continued)
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.

(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% (2010: 10%) higher/lower, profit of the Group for the year would increase/decrease by HK$4,870,500 (2010: loss of the Group would decrease/increase by HK$6,065,700) as a result of the changes in fair value of held-for-trading investments.

Credit risk

As at 31st March, 2011, 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 is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

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 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.

28. FINANCIAL INSTRUMENTS (continued)

28b. Financial risk management and policies (continued)

Credit risk (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 19% (2010: 27%) 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, 2011, the Group's banking facilities amounted to approximately HK$148,000,000 (2010: HK$148,000,000) of which approximately HK$5,898,000 (2010: HK$6,892,000) were utilised for issuance of letters of credit and bills payable.

28. FINANCIAL INSTRUMENTS (continued)

28b. Financial risk management and policies (continued)

Liquidity risk (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
2011	
Non-derivative financial liabilities	
Trade and other payables	**117,990**
Bills payable	**4,116**
Amount due to an associate	**676**
	122,782

	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 contracts *(Note)*	37,200
	116,721

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

28. FINANCIAL INSTRUMENTS (continued)

28c. 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	
	2011	2010
	HK$'000	*HK$'000*
Held-for-trading investments	**48,705**	60,657

29. CAPITAL COMMITMENT

	2011	2010
	HK$'000	*HK$'000*
Expenditure contracted for but not provided in the financial statements in respect of:		
– Acquisition of plant and machinery	**13,546**	162
– Further capital contribution to an associate *(note)*	**47,528**	45,464
	61,074	45,626

Note: The Group had agreed to contribute RMB40,000,000 (equivalent to HK$47,528,000 (2010: HK$ 45,464,000)) to the registered capital of Kunshan Visionox. As at 31st March, 2011 and 2010, the Group had not made such contribution to Kunshan Visionox. The directors have verbally agreed with the major equity holder of Kunshan Visionox, Kunshan Industrial Assets Management Company Limited, that the Group will only contribute RMB40,000,000 to the registered capital of Kunshan Visionox if the OLED business of Kunshan Visionox is able to achieve sustainable profits excluding the government grants and the accumulated losses of Kunshan Visionox have been fully recovered. Accordingly, the Group has discontinued recognising its share of further losses of the associate.

30. CONTINGENT LIABILITIES

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

	2011	2010
	HK$'000	*HK$'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
– jointly controlled entities	**–**	20,200
	–	37,200

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

31. OPERATING LEASE COMMITMENT

As lessee

Minimum lease payments paid under operating leases for rented premises during the year amounted to approximately HK$3,962,000 (2010: HK$3,489,000).

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:

	2011	2010
	HK$'000	*HK$'000*
Within one year	**2,624**	1,435
In the second to fifth year inclusive	**2,027**	3,433
Over the fifth year	**–**	168
	4,651	5,036

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.

32. RETIREMENT BENEFIT PLANS

The Group operates a 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 profit or loss of approximately HK$3,107,000 (2010: HK$2,315,000) after forfeited contributions utilised in the MPF Scheme of HK$73,000 (2010: approximately HK$106,000) represents contributions payable to these schemes by the Group in respect of the current year.

33. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A SUBSIDIARY

In November 2010, the Group acquired the entire issued share capital of 江門市蓬江區德興液晶顯示器技術有限公司, which directly owns a land and building located at No. 12, Gasosha Road 3, Jiangmen, Guangdong. The assets acquired and liabilities assumed did not constitute a business as defined under HKFRS 3 *Business Combinations* and therefore, the acquisition was accounted for as assets acquisition.

The assets acquired and liabilities assumed in the transaction are as follows:

	HK$'000
Land and buildings	21,337
Bank balances and cash	418
Assets acquired	21,755
Total consideration satisfied by:	
Cash consideration paid	21,755
Net cash outflow arising on acquisition:	
Cash consideration paid	(21,755)
Cash and cash equivalents acquired	418
	(21,337)

34. RELATED PARTY TRANSACTIONS

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

	2011 **HK$'000**	2010 *HK$'000*
Nature of transactions		
Accountancy service income	**360**	360

Compensation of key management personnel

The remuneration of directors during the year was as follows:

	2011 **HK$'000**	2010 *HK$'000*
Short-term benefits	**7,934**	4,008
Post-employment benefits	**288**	121
	8,222	4,129

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

35. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the Company's principal subsidiaries at 31st March, 2011 and 2010 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$53,001,371 registered capital	100%	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

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.

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

The summarised statement of financial position of the Company as at 31st March, 2011 and 2010 is as follows:

	2011 HK$'000	2010 HK$'000
Non-current assets		
Investments in subsidiaries	**83,384**	83,384
Current assets		
Amounts due from subsidiaries	**395,008**	408,657
Prepayments	**200**	190
Tax recoverable	**–**	230
Bank balances and cash	**252**	226
	395,460	409,303
Current liabilities		
Accrued charges	**6,865**	2,670
Amounts due to subsidiaries	**25,494**	84,552
Tax payables	**114**	–
	32,473	87,222
Net current assets	**362,987**	322,081
Net assets	**446.371**	405,465
Capital and reserves		
Share capital	**202,231**	202,231
Reserves	**244,140**	203,234
Equity	**446,371**	405,465

FINANCIAL SUMMARY

RESULTS

	Year ended 31st March,				
	2007	2008	2009	2010	**2011**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Turnover	456,287	680,973	515,002	454,565	**646,798**
Profit (loss) before income tax	29,090	6,392	(40,991)	(128,180)	**1,314,355**
Income tax expense	(3,088)	(3,916)	(1,637)	(2,570)	**(141,878)**
Profit (loss) for the year	26,002	2,476	(42,628)	(130,750)	**1,172,477**
Attributable to:					
Owners of the Company	25,386	10,978	(38,252)	(130,398)	**1,170,562**
Non-controlling interests	616	(8,502)	(4,376)	(352)	**1,915**
	26,002	2,476	(42,628)	(130,750)	**1,172,477**

ASSETS AND LIABILITIES

	At 31st March,				
	2007	2008	2009	2010	**2011**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Assets and liabilities					
Total assets	930,362	935,515	676,730	563,630	**1,939,475**
Total liabilities	(193,926)	(171,442)	(99,555)	(127,020)	**(331,259)**
	736,436	764,073	577,175	436,610	**1,608,216**
Equity attributable to owners of the Company	614,499	639,120	577,175	436,610	**1,606,159**
Non-controlling interests	121,937	124,953	–	–	**2,057**
	736,436	764,073	577,175	436,610	**1,608,216**