YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

INTERIM REPORT 2011/12

CHAIRMAN'S STATEMENT

Dear Shareholders,

I have pleasure in presenting the 2011/2012 interim results of the Company and its subsidiaries (collectively the "Group").

For the six months ended 30th September 2011, the Group's turnover amounted to HK$388 million, representing an increase of 15% over the corresponding period of last year. Profit for the period attributable to the owners of the Company amounted to HK$44 million, representing a decrease of 96% over the corresponding period of last year.

Excluding the one-off before tax gain of HK$1,214 million from the deemed disposal of a jointly controlled enterprise in last year, the Group's profit before tax decreased by HK$4 million or 8% from HK$53 million to HK$49 million as compared to the corresponding period of last year. In fact, the display business performed better than last year, the fall in profit before tax was due to the losses from adverse fair value changes of held-for-trading investments and derivative financial instruments of approximately $15 million in the current period as compared to a profit of HK$5 million last year.

During the period under review, the overall display market had experienced ups and downs. Under such unpredictable market conditions, the Group tuned its strategies in a timely manner and took measures proactively to adapt to the fast changing environment. The Group dedicated to enlarge its shares in high-end and high-value market segment, diversified its product applications, and adjusted the pricing and production strategies, so as to control the cost and generate reasonable margin. These measures had partly offset the adverse impacts caused by the increase of costs from material and labour and the severe shortage of power supply in mainland China.

Meanwhile, the Group has devoted financial resources to expand and upgrade its production facilities for the production of high value and quality products.

Looking ahead to the latter half of this year, the European sovereign debt crisis is still unclear, and there is no indication that the USA economy would recover swiftly. In addition, various measures have been adopted by the PRC government to control inflation, which indicates a tightened fiscal policy in the foreseeable future. These factors have added more uncertainties to the global economy. In light of the above, the Group will adhere to its principle of being prudent, and pragmatic. The Group will allocate resources to develop and expand into the high end market segment which we believe will generate reasonable return to the Group.

Fang Hung, Kenneth
Chairman

Hong Kong, 24th November, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the six months ended 30th September, 2011 of approximately HK$388 million (2010: HK$337 million), an increase of 51 million or 15% as compared with the corresponding period of last year. Profit attributable to owners of the Group was HK$44 million (2010: HK$1,128 million), representing a decrease of approximately HK$1,084 million. Included in the 2010 interim results was a one-off after-tax gain from the deemed disposal of Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai") of HK$1,081 million as a result of its initial public offer ("IPO") of its A shares in Shenzhen Stock Exchange in September 2010. If the said gain was excluded, profit attributable to owners in 2011 would have decreased by HK$3 million as compared with the corresponding period of last year.

External sales of the Liquid Crystal Display ("LCD") increased by HK$16 million, from HK$175 million to HK$191 million, and external sales of the Liquid Crystal Display Module ("LCM") increased by HK$34 million, from HK$162 million to HK$196 million. During the six months, the labour cost and prices of certain materials continued to rise. The Group responded proactively by upholding its established operation strategies to optimize our product mix, which resulted in an increase in turnover. By improving production yield and labour efficiency, the performance of our core display business continued to produce positive contribution to the Group. As shown in the segment results, the overall segment profit increased by approximately HK$16 million from HK$21 million for the last year to HK$37 million in the period under review. Meanwhile, there has been some changes in cost allocation between the segments. The LCD segment recorded an increase in segment profit of approximately HK$15 million from HK$9 million for the last year to HK$24 million this year, and the LCM segment recorded an increase in segment profit of approximately HK$1 million from HK$12 million for the last year to HK$13 million this year.

The Group recorded a gross profit of approximately HK$67 million (2010: HK$62 million) and a gross profit margin of 17% (2010: 18.5%) for the six months ended 30th September, 2011. The increase in gross profit was mainly due to the higher turnover. During the period, the wages and overhead costs in PRC continued to increase. Notwithstanding the Group's efforts in adjusting the selling prices, the gross profit margin dropped by 1.5% as the increase in manufacturing cost could not be completely passed onto the customers.

During the period under review, other income amounted to approximately HK$8 million (2010: HK$4 million). The other income are mainly composed of tooling income and scrap sales.

Net losses from other gains and losses amounted to approximately HK$17 million (2010: net gains of HK$5 million), which was mainly attributable to the losses from adverse fair value changes of held-for-trading investments and derivative financial instruments of approximately HK$15 million (2010: gains of HK$5 million) and exchange losses arising from operations of HK$2 million (2010: losses of HK$1 million).

The selling and distribution expenses amounted to approximately HK$24 million (2010: HK$29 million), accounting for 6% (2010: 9%) of the Group's sales. The decrease in selling and distribution expenses was mainly due to the decrease in business promotion expenses during the period.

Administrative expenses for the six months ended 30th September, 2011 amounted to HK$14 million (2010: HK$16 million), representing a decrease of HK$2 million, which was mainly due to the reduction of staff related 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.

Prior to 29th September, 2010, Nantong Jianghai was a 50% owned jointly-controlled entity of the Group. After its shares were listed and traded on The Shenzhen Stock Exchange on 29th September, 2010, Nantong Jianghai became a 37.5% owned associate of the Group.

During the period under review, the Group's share of profit of Nantong Jianghai was approximately HK$30 million (2010: HK$27 million), representing an increase of HK$3 million as compared with the corresponding period of the previous year. The change in the Group's share of profit has reflected the dilution effect of the Group's shareholding in Nantong Jianghai from 50% in last year to 37.5% in this year.

During the period under review, there was a significant increase in the turnover and operating profit of Nantong Jianghai as compared with the previous year, which was mainly due to its capability of integrating technology and market resulted in a significant increase in the sale of industrial capacitors and remarkable improvement on its overall sales results despite the rise of materials and labour costs. Also, Nantong Jianghai has strengthened its research and development capabilities in order to further improve its competitive edge in the market.

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

Kunshan Visionox Display Co. Ltd. (Kunshan Visionox), an associate of the Company, is a manufacturer of organic light emitted display ("OLED") products. The carrying amount of the Group's investment in Kunshan Visionox was written off to zero in prior years, and as a result, the Group did not take up any share of Kunshan Visionox's profit or loss.

PROSPECTS

Looking forward, the economy in Europe and USA are expected to stay slump, while in China, inflation and labor cost will continue to maintain at a high level. Fully aware of these challenges ahead, the management is confident to overcome them by employing various measures. In respect of marketing, we will continue developing high-end products in order to capture high-end market segment. In respect of production, efforts will be made to improve product quality and human resources efficiency. Moreover, the newly invested production line would provide a solid platform for the production of high-quality products. In respect of research and development, we endeavor to develop high-end and high-quality products according to the market change and requirements. In respect of financial management, we will continue to adhere to prudent fiscal policy and maintain healthy liquidity.

In view of the uncertainty of external economic environment and the increase of operating cost, the management maintains a cautious view towards the sales and profit growth for this year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2011, the Group's current ratio was 1.4 (31st March, 2011: 1.6). The gearing ratio, as a ratio of bank borrowings to total equity, was nil (31st March, 2011: nil).

As at 30th September, 2011, the Group had total assets of approximately HK$2,034 million, which were financed by liabilities of HK$393 million and total equity of HK$1,641 million.

As at 30th September, 2011, the Group's banking facilities amounted to approximately HK$168 million (31st March, 2011: HK$148 million) of which approximately HK$22 million (31st March, 2011: HK$6 million) were utilized for issuance of letters of credit, bills payable and securities trading.

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

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

As at 30th September, 2011, the Group's held-for-trading investments of approximately HK$40 million (2010: HK$54 million) have been charged to a financial institution for securities trading facilities granted to the Group.

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 directors do not recommend the payment of an interim dividend for the six months ended 30th September, 2011.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 30th September, 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 share 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)*	40,038,013	697,692,368	737,730,381	72.96%

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

Save as disclosed above, as at 30th September, 2011, none of the directors, the chief executives nor 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.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2011, the following interests and short position of 5% or more in the shares and underlying shares of the Company were recorded in register maintained by the Company pursuant to Section 336 of the SFO.

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%
Mr Wong Koon Kau *(Note ii)*	Directly and indirectly beneficially owned	67,812,000	6.71%

Notes:

(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 30th September, 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.

CORPORATE GOVERNANCE

None of the Directors of the Company is aware of any information that would reasonably indicate that the Company has not compiled with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the following deviation:

Under Code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. The existing non-executive Directors of the Company are not appointed for a specific term but are 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 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.

The board is reviewing the situation and will, where appropriate, take necessary steps including amendment of the Company's bye laws to ensure compliance with the Code.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the six months ended 30th September, 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of securities of the Company or by any of its subsidiaries during the six months ended 30th September, 2011.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive directors, namely Mr Tien Pei Chun, James, GBS, JP, Mr Chu Chi Wai, Allan and Mr Lau Yuen Sun, Adrian. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters, including a review of the unaudited condensed accounts for the six months ended 30th September, 2011.

By order of the Board
Lau Siu Ki, Kevin
Company Secretary

Hong Kong, 24th November, 2011

Deloitte.
德勤

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF YEEBO (INTERNATIONAL HOLDINGS) LIMITED

INTRODUCTION

We have reviewed the interim financial information set out on pages 9 to 22 which comprises the condensed consolidated statement of financial position of Yeebo (International Holdings) Limited and its subsidiaries as of 30th September, 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24th November, 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th September, 2011

	Notes	Six months ended 30.9.2011 HK$'000 (unaudited)	30.9.2010 HK$'000 (unaudited)
Revenue	3	**387,936**	336,972
Cost of sales		**(321,423)**	(274,677)
Gross profit		**66,513**	62,295
Other income		**7,958**	3,972
Interest income		**221**	181
Other gains and losses	4	**(17,419)**	4,627
Selling and distribution expenses		**(23,838)**	(29,209)
Administrative expenses		**(14,383)**	(16,084)
Share of results of associates		**29,625**	–
Share of result of a jointly controlled entity		**–**	27,397
Profit before gain on deemed disposal of a jointly controlled entity		**48,677**	53,179
Gain on deemed disposal of a jointly controlled entity	5	**–**	1,213,828
Profit before income tax		**48,677**	1,267,007
Income tax expense			
– Deferred tax relating to enterprise income tax on gain on deemed disposal of a jointly controlled entity		**–**	(132,797)
– Others	6	**(4,116)**	(4,669)
		(4,116)	(137,466)
Profit for the period	7	**44,561**	1,129,541

	Note	Six months ended 30.9.2011 HK$'000 (unaudited)	30.9.2010 HK$'000 (unaudited)
Other comprehensive income (expense):			
Exchange differences arising on translation of foreign operations		**39,098**	8,006
Reclassification adjustment of translation reserve upon deemed disposal of a jointly controlled entity		**–**	(26,459)
Other comprehensive income (expense) for the period		**39,098**	(18,453)
Total comprehensive income for the period		**83,659**	1,111,088
Profit for the period attributable to:			
Owners of the Company		**44,110**	1,128,318
Non-controlling interests		**451**	1,223
		44,561	1,129,541
Total comprehensive income attributable to:			
Owners of the Company		**83,197**	1,109,776
Non-controlling interests		**462**	1,312
		83,659	1,111,088
Earnings per share			
Basic	9	**HK0.04 dollar**	HK1.12 dollars

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th September, 2011

	Notes	30.9.2011 HK$'000 (unaudited)	31.3.2011 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	10	**117,667**	108,868
Prepayment for acquisition of property, plant and equipment		**37,593**	36,380
Interests in associates		**1,524,856**	1,482,925
Available-for-sale investments		**2,739**	2,739
Intangible assets		**1,459**	1,459
		1,684,314	1,632,371
Current assets			
Inventories		**73,867**	79,197
Trade and other receivables	11	**135,885**	109,437
Bills receivables	11	**6,940**	4,075
Held-for-trading investments		**40,125**	48,705
Bank balances and cash		**93,210**	65,690
		350,027	307,104
Current liabilities			
Trade and other payables	12	**181,870**	175,697
Bills payables	12	**4,721**	4,116
Dividend payable		**50,558**	–
Amount due to an associate	13	**496**	676
Derivative financial instruments	14	**2,456**	–
Tax payable		**14,246**	12,214
		254,347	192,703
Net current assets		**95,680**	114,401
Total assets less current liabilities		**1,779,994**	1,746,772

	Note	30.9.2011 HK$'000 (unaudited)	31.3.2011 HK$'000 (audited)
Non-current liabilities			
Deferred tax liabilities		**138,677**	138,556
		1,641,317	1,608,216
Capital and reserves			
Share capital	15	**202,231**	202,231
Reserves		**1,436,567**	1,403,928
Equity attributable to owners of the Company		**1,638,798**	1,606,159
Non-controlling interests		**2,519**	2,057
Total equity		**1,641,317**	1,608,216

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 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, 2010 (audited)	202,231	126,763	2,125	7,829	54,290	43,372	436,610	–	436,610
Profit for the period	–	–	–	–	–	1,128,318	1,128,318	1,223	1,129,541
Exchange differences arising on translation of foreign operations	–	–	–	–	7,917	–	7,917	89	8,006
Reclassification adjustment of translation reserve upon deemed disposal of a jointly controlled entity	–	–	–	–	(26,459)	–	(26,459)	–	(26,459)
	–	–	–	–	(18,542)	–	(18,542)	89	(18,453)
Total comprehensive income (expense) for the period	–	–	–	–	(18,542)	1,128,318	1,109,776	1,312	1,111,088
Dividend – declared *(Note 8)*	–	–	–	–	–	(10,112)	(10,112)	–	(10,112)
At 30th September, 2010 (unaudited)	202,231	126,763	2,125	7,829	35,748	1,161,578	1,536,274	1,312	1,537,586
At 1st April, 2011 (audited)	202,231	126,763	2,125	7.829	63,389	1,203,822	1,606,159	2,057	1,608,216
Profit for the period	–	–	–	–	–	44,110	44,110	451	44,561
Exchange differences arising on translation of foreign operations	–	–	–	–	39,087	–	39,087	11	39,098
Total comprehensive income for the period	–	–	–	–	39,087	44,110	83,197	462	83,659
Dividend – declared *(Note 8)*	–	–	–	–	–	(50,558)	(50,558)	–	(50,558)
At 30th September, 2011 (unaudited)	202,231	126,763	2,125	7,829	102,476	1,197,374	1,638,798	2,519	1,641,317

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30th September, 2011

	Six months ended	
	30.9.2011	30.9.2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	**14,522**	32,554
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(11,479)**	(16,402)
Prepayment for acquisition of property, plant and equipment	**(1,213)**	(35,559)
Proceeds from disposal of property, plant and equipment	**175**	57
Dividend received from the associate	**25,398**	–
Others	**221**	1,081
NET CASH FROM (USED IN) INVESTING ACTIVITIES	**13,102**	(50,823)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**27,624**	(18,269)
EFFECT OF CHANGE IN EXCHANGE RATES	**(104)**	(254)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**65,690**	81,003
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	**93,210**	62,480

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2011

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard 34 ("HKAS 34"), "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2011. However, in the current interim period, the Group has changed the presentation in its consolidated statement of comprehensive income by presenting a new line item showing the sub-total of "profit before gain on deemed disposal of a jointly controlled entity" which excluded the impact of gain on deemed disposal of a jointly controlled entity. In the opinion of directors of the Company, the inclusion of such a line item will enhance comparability of profit before income tax of the Group for the two interim periods.

In addition, the Group applied the following accounting policy as it has derivative financial instruments in this interim period:

Derivative financial instruments that do not qualify for hedge accounting are deemed as financial assets or liabilities held for trading and measured at fair value. Changes in the fair value of such derivatives are recognised in profit or loss as they arise.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards and interpretations ("new and revised HKFRSs") issued by the HKICPA.

The application of the new and revised HKFRSs in the current interim period has had no material effect on the condensed consolidated financial statements of the Group.

The Group has not early applied new and revised HKFRSs that have been issued but are not yet effective. Except as described below, the directors of the Company anticipate that the adoption of the new and revised HKFRSs that have been issued after the date the consolidated financial statements for the year ended 31st March, 2011 were authorised for issue will have no material impact on the results and the financial position of the Group.

HKFRS 10 *Consolidated Financial Statements* replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires a lot of judgement.

HKFRS 10 is effective for annual periods beginning on or after 1st January, 2013 with earlier application permitted. The directors anticipate that HKFRS 10 will be applied 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 Group's consolidated financial statements and might result in the Group consolidating investees that were not previously consolidated. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker ("CODM"), the board of directors, for the purposes of resource allocation and performance assessment, focus on the types of products sold by the Group's operating divisions, which are liquid crystal displays ("LCDs") and liquid crystal displays modules ("LCMs").

Information regarding the above segments is reported below.

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

Six months ended 30th September, 2011

	LCDs *HK$'000*	LCMs *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Revenue					
External sales	191,450	196,486	387,936	–	387,936
Inter-segment sales	53,062	–	53,062	(53,062)	–
Total	244,512	196,486	440,998	(53,062)	387,936
Segment profit	23,778	12,965			36,743
Interest income					221
Dividend income					849
Loss on fair value changes of held-for-trading investments					(12,790)
Unallocated administrative costs					(1,167)
Loss on fair value changes of derivative financial instruments					(2,456)
Net exchange loss					(2,348)
Share of results of associates					29,625
Profit before income tax					48,677

3. SEGMENT INFORMATION *(continued)*

Six months ended 30th September, 2010

	LCDs	LCMs	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue					
External sales	174,871	162,101	336,972	–	336,972
Inter-segment sales	35,079	–	35,079	(35,079)	–
Total	209,950	162,101	372,051	(35,079)	336,972
Segment profit	9,301	12,011			21,312
Interest income					181
Dividend income					900
Gain on fair value changes of held-for-trading investments					4,919
Unallocated administrative costs					(1,206)
Gain on fair value changes of derivative financial instruments					351
Net exchange loss					(675)
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					1,267,007

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, fair value changes of held-for-trading investments and derivative financial instruments, unallocated administrative costs, net exchange differences, share of results of associates, share of result of a jointly controlled entity and gain on deemed disposal of a jointly controlled entity. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

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.

4. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2011	30.9.2010
	HK$'000	*HK$'000*
Gain on disposal of property, plant and equipment	**175**	32
Net exchange loss	**(2,348)**	(675)
(Loss) gain on fair value changes of derivative financial instruments	**(2,456)**	351
(Loss) gain on fair value changes of held-for-trading investments	**(12,790)**	4,919
	(17,419)	4,627

5. GAIN ON DEEMED DISPOSAL OF A JOINTLY CONTROLLED ENTITY

At 31st March, 2010, the Group held a 50% interest in Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai") and accounted for the investment as a jointly controlled entity. In September 2010, pursuant to the initial public offering of Nantong Jianghai whose shares were then listed on The Shenzhen Stock Exchange, the Group's shareholding in Nantong Jianghai was diluted from 50% to 37.5%, resulting in a change of status from a jointly controlled entity to an associate.

The Group retained the remaining 37.5% interest as interest in an associate. This transaction resulted in the recognition of a gain on deemed disposal of interest in a jointly controlled entity in profit or loss for the six-month period ended 30th September, 2010 and 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 undertook not to dispose of any part or whole of its interests in Nantong Jianghai within three years of its listing.

6. INCOME TAX EXPENSE – OTHERS

	Six months ended	
	30.9.2011	30.9.2010
	HK$'000	*HK$'000*
The tax charge comprises:		
Current tax		
Hong Kong	**152**	–
Other jurisdictions	**2,483**	3,299
Deferred taxation		
Current period	**1,481**	1,370
	4,116	4,669

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdiction.

Under the Law of the People's Republic of China ("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.

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

Pursuant to the above-mentioned, the Group has recognised a deferred tax liability for the Group's share of distributable profits earned by Nantong Jianghai since 1st January, 2008. 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.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	Six months ended	
	30.9.2011	30.9.2010
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**9,248**	12,080
Allowances (reversal of allowances) for obsolete inventories (included in cost of sales)	**2,267**	(994)
Share of tax of associates (included in share of results of associates)	**5,221**	–
Share of tax of a jointly controlled entity (included in share of result of a jointly controlled entity)	**–**	3,944
Allowances for doubtful debts	**3,411**	2,950

8. DIVIDEND

	Six months ended 30.9.2011 HK$'000	Six months ended 30.9.2010 HK$'000
Final dividend in respect of the year ended 31st March, 2011 of HK2 cents per share (2010: Final dividend in respect of the year ended 31st March, 2010 of HK1 cent per share)	**20,223**	10,112
Special dividend in respect of the year ended 31st March, 2011 of HK3 cents per share (2010: Nil)	**30,335**	–
	50,558	10,112

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Six months ended 30.9.2011	Six months ended 30.9.2010
Earnings attributable to the owners of the Company for the purpose of basic earnings per share (HK$'000)	**44,110**	1,128,318
Number of ordinary shares for the purpose of basic earnings per share	**1,011,155,171**	1,011,155,171

No diluted earnings per share has been presented for both periods as there are no potential ordinary shares in issue.

10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

The Group incurred approximately HK$18,040,000 (six-month period ended 30th September, 2010: HK$16,402,000) on the additions to the property, plant and equipment, of which approximately HK$6,561,000 had not been paid at the end of the reporting period.

11. TRADE AND OTHER RECEIVABLES/BILLS RECEIVABLES

The Group allows a credit period of 30-120 days to its trade customers.

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

	30.9.2011 HK$'000	31.3.2011 HK$'000
1 – 30 days	**57,351**	48,375
31 – 60 days	**38,218**	21,199
61 – 90 days	**17,394**	17,389
91 – 120 days	**2,855**	6,353
	115,818	93,316

All the Group's bill receivables as at 30th September, 2011 and 31st March, 2011 were due within 90 days.

12. TRADE AND OTHER PAYABLES/BILLS PAYABLES

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

	30.9.2011	31.3.2011
	HK$'000	*HK$'000*
Up to 30 days	**31,157**	25,059
31 – 60 days	**32,124**	14,953
61 – 90 days	**20,905**	17,506
91 – 120 days	**5,211**	6,659
Over 120 days	**6,486**	7,633
	95,883	71,810

All the Group's bills payables as at 30th September, 2011 and 31st March, 2011 were due within 90 days.

13. AMOUNT DUE TO AN ASSOCIATE

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

14. DERIVATIVE FINANCIAL INSTRUMENTS

At 30th September, 2011, the Group has three outstanding equity accumulator contracts with maturity dates all in August 2012. The derivative financial instruments are classified as held-for-trading investments and measured at fair value at the end of reporting period. Based on each contract, the Group has an obligation to purchase a specified number of a blue-chip Hong Kong listed equity security ("Share") daily if the stock price is higher than the predetermined forward price, and purchase double the amount of the Share daily if such stock price is lower than the predetermined forward price. The counterparty financial institution can terminate the contract when the market price of the underlying equity security is higher than a knock-out price set out in the contract.

The Group has approximately HK$47,700,000 (31st March, 2011: Nil) maximum potential cash outflow in respect of the equity accumulator contracts at the end of the reporting period.

15. SHARE CAPITAL

	Number of shares	**Share capital**
		HK$'000
Ordinary shares of HK$0.20 each		
Issued and fully paid		
At 31st March, 2011 and 30th September, 2011	1,011,155,171	202,231

16. CAPITAL COMMITMENTS

	30.9.2011	31.3.2011
	HK$'000	HK$'000
Expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
– acquisition of property, plant and equipment	9,506	13,546
– additional capital injection in an associate	48,780	47,528
	58,286	61,074

Note: The Group had agreed to contribute RMB40,000,000 (equivalent to HK$48,780,000 (31st March, 2011: HK$47,528,000)) to the registered capital of Kunshan Visionox Display Company Limited ("Kunshan Visionox"). As at 30th September, 2011 and 31st March, 2011, 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 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.

17. PLEDGE OF ASSETS

At 30th September, 2011, a securities trading facility in respect of investments in derivative financial instruments to the extent of approximately HK$15 million had been utilised (31st March, 2011: Nil). The facility is secured by the held-for-trading investments of the Group of approximately HK$40 million.

18. RELATED PARTY TRANSACTIONS

During the period, the Group had the following related party transactions:

	Nature of transactions	Six months ended 30.9.2011	30.9.2010
		HK$'000	HK$'000
An associate	Accountancy service income	180	180

Compensation of key management personnel

During the period, the Group's remuneration paid to the directors who represent the key management personnel of the Group are as follows:

	Six months ended 30.9.2011	30.9.2010
	HK$'000	HK$'000
Short-term benefits	2,132	1,997
Post-employment benefits	52	86
	2,184	2,083