YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

ANNUAL REPORT 2011/12

Yeebo (International Holdings) Limited
Annual Report 2011/12

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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
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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 73, 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 and People's Republic of China. 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 54, 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 49, 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 65, 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 60, has over 40 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 57, holds a Bachelor Degree in Commerce from the University of Windsor, Canada and has years of experience in banking and investment. Mr. Lau had worked for the National Bank of Canada as the vice president of Asia region as well as the branch manager of the Hong Kong branch from September 1994 to December 1996. He was also an independent non-executive director of Times Ltd., a company formerly listed in Hong Kong until its privatisation in May 2010, for the period from June 2007 to January 2010 and had served directorships in various listed companies in Hong Kong. Mr. Lau joined the Company as an independent non-executive Director in May 2004.

COMPANY SECRETARY

LAU Siu Ki, Kevin, aged 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 55, is the 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 49, is the Vice President and the Chief Operating Officer responsible for the management and operation of the LCD and LCM factories. He has over 25 years' experience in LCD industry. Mr. Lin joined the Group in 2002.

JIA Xiu Juan, aged 49, is the Vice President and the Chief Financial Officer, responsible for the LCD and LCM business financial management. Ms. Jia has extensive experience in accounting and taxation. She has an accountancy qualification in PRC. She graduated from Guangdong Academy of Social Sciences in PRC with a postgraduate diploma. Ms. Jia joined the Group in 1999.

WAN Wai Tak, aged 60, 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 34 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.

TSUI Siu Keung, aged 38, is the Vice President 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 12 years' experience in customer service management, sales and marketing. Mr. Tsui joined the Group in 2000.

LIU Xiu Zhen, aged 44, is the Vice President and the Chief Human Resources Officer responsible for the Group's information technology and customer service centers, she is also responsible for human resources and purchases of the LCD and LCM 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 50, is the Vice President responsible for the manufacturing operations and the production and material control of LCM factory, and the back-end production of LCD factory. Mr. Hsiao has over 14 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 47, 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 20 years' experience in the development and production of LCD products. Ms. Lin joined the Group in 2003.

HUANG Wen Huei, aged 37, is the General 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 10 years' experience in customer service and market operations of LCD and LCM products. Mr. Huang joined the Group in 2004.

HSIEH Wen Shu, aged 40, is the Senior Manager responsible for the quality assurance and process engineering of the LCD and LCM factories. Mr. Hsieh holds a degree in Electric Optical Engineering from National Yunlin Polytechnic Institute in Taiwan. He has over 15 years' relevant experience and joined the Group in 2005.

HSIEH Chi Liang, aged 38, is the Senior Manager responsible for product development of LCD and LCM products and also the front end production of LCD factory. Mr. Hsieh has more than 15 years experience in LCD/LCM industry. He graduated in Power Mechanical Engineering from National Yunlin Polytechnic Institute in Taiwan and joined the Group in 2006.

HO Chun Tang, Jonathan, aged 34, 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 45, 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.

CHAN Ming Tak, aged 61, is the Director of Sales and is responsible for both local sales and overseas sales activities. Mr. Chan has over 30 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.

SHEN Chi Hsiung, aged 47, is the Director of Sales responsible for the sales in Greater China market. Mr. Shen has 14 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.

LIM Bee Lay, aged 63, 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 26 years' experience in LCD field in Singapore and Malaysia. Ms. Lim joined the Group in 2005.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I take pleasure in presenting to our shareholders the annual results of the Company and its subsidiaries (collectively the "Group") for the twelve months ended 31st March, 2012.

The revenue of the Group for the year was HK$742 million (2011: HK$647 million), representing an increase of 15% over last year. Profit attributable to owners of the Company was approximately HK$93 million (2011: HK$1,171 million). Excluding the one-off gain from the deemed disposal of Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai") of HK$1,081 million recorded in last year pursuant to its initial public offer, profit attributable to owners of the Company actually increased by HK$3 million as compared to last year. To survive in the volatile market environment caused by global economic downturn, the Group proactively adjusted its operating strategies based on changes in markets. In addition to fostering closer cooperation with existing customers, the Group devoted more effort to develop high-end display products, actively explored new markets and expanded its customer base and product applications, thus further improving the Group's market share in the domestic and overseas market. During the year, labour shortage in mainland China persisted despite surges in labour costs. Moreover, China's inflation continued to stay at high level. As a result, operating costs in China soared, thereby reducing the profit margin. The Group has taken responsive sales and production measures to minimize the adverse effect on our profitability.

Our associated company, Nantong Jianghai was also affected by the global economic downturn and the surge in operating cost. In spite of the above, Nantong Jianghai has still managed to maintain business growth during the year.

Looking forward to the coming year, the Group will continue to take a prudent attitude over global market demand. We will continue to leverage on our strength in marketing to explore and develop new businesses. Meanwhile, the Group will enhance its production capacity of high-end display products to cope with its marketing strategies. In addition, the Group will devote more efforts on new and related products to expand its product range. Our goal is to fully capitalize on existing capacity and technical advantage to improve the sales of high value-added products and offer constant impetus to generate reasonable profit.

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, 15th June, 2012

REVIEW OF OPERATIONS

The Group recorded a consolidated turnover for year ended 31st March, 2012 of approximately HK$742 million (2011: HK$647 million), an increase of HK$95 million or 15% as compared with last year. Profit attributable to owners of the Company was HK$93 million (2011: HK$1,171 million), representing a decrease of approximately HK$1,078 million. Included in the 2011 annual results was a one-off after-tax gain from the deemed disposal of Nantong Jianghai of HK$1,081 million as a result of the 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 of the Company for this year would have been increased by approximately HK$3 million as compared with last year.

In our core display business, external sales of the Liquid Crystal Display ("LCD") increased by HK$32 million, from HK$334 million to HK$366 million, and external sales of the Liquid Crystal Display Module ("LCM") increased by HK$62 million, from HK$313 million to HK$375 million. Encountering the slow down of the global economy, shortage of labour in PRC as well as rising labour costs and prices of certain materials during the year, the Group responded proactively thereto by formulating a well-defined business strategy, focusing on new product development, continuously optimizing product mix and providing one-stop service to our customers. By leveraging on our reliable product supply and high product quality, the Group had gained support from customers, resulting in a further increase in sales. As shown in the segment results, the overall segment profit increased by approximately HK$4 million from HK$62 million for the last year to HK$66 million this year. Meanwhile, there were some changes in cost allocation between the segments. The LCD segment recorded an increase in segment profit of approximately HK$10 million from HK$34 million for the last year to HK$44 million this year, and the LCM segment recorded a decrease in segment profit of approximately HK$6 million from HK$28 million of last year to HK$22 million this year.

The Group recorded a gross profit of approximately HK$122 million (2011: HK$122 million) and a gross profit margin of 16% (2011: 19%) for the year ended 31st March, 2012. Despite the higher turnover, the gross profit did not show an obvious increase. Even though the Group had strengthened its operational management and made corresponding adjustments to its pricing and production strategies, this was still not adequate to cover the increase in manufacturing costs. As a result, gross margin decreased as compared to last year. The projects newly invested by the Group for expanding production capacity and improving the quality of its products have not yet been able to make contribution to the Group during the year.

During the year, other income amounted to approximately HK$14 million (2011: HK$11 million). The other income mainly composed tooling income, scrap sales and dividend income from investment held-for-trading.

Net losses from other gains and losses amounted to approximately HK$8 million (2011: net gains of HK$8 million), which were mainly attributable to the losses from adverse fair value changes of held-for-trading investments and derivative financial instruments of approximately HK$6 million (2011: gains of HK$9 million) and exchange losses arising from operations of HK$1 million (2011: HK$1 million).

The selling and distribution expenses amounted to approximately HK$44 million (2011: HK$44 million), accounting for 6% (2011: 7%) of the Group's sales. During the year, the Group incurred additional expenditure in expanding the sales network in overseas market to capture more business opportunities. This was offset by the reduction of provision of doubtful debts, reflecting an improvement in the quality of receivables as a result of better credit control.

Despite the increase in turnover, we managed to maintain total administrative expenses at approximately HK$27 million which was the same level as last year.

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.

During the year, the Group's share of profit of Nantong Jianghai was approximately HK$46 million (2011: HK$27 million), representing an increase of HK$19 million as compared with last year. The Group's share of profit for last year was arrived at 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 its IPO in September, 2010, 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. The change in the Group's share of profit for this year has reflected the full year's dilution effect of the Group's shareholding in Nantong Jianghai from 50% to 37.5% pursuant to the IPO.

During the year, there was a sustained increase in the turnover of Nantong Jianghai. By enhancing the technical and production capability, there was an increase in the sale of industrial capacitors. However, the continuous downturn in global economy and increase in production costs has affected Nantong Jianghai's performance in the first quarter of the 2012, resulting in a decrease in its profit attributable to owners of Nantong Jianghai as compared with the corresponding period of the previous year. Facing the challenges of market changes ahead, in addition to enhancing its research and development capabilities to further improve its market competitiveness, Nantong Jianghai has devoted resources to expand the production capacity of high-value products and broaden its product range to expand its sources of sales and profit.

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 Group has provided for impairment loss in its investments in Kunshan Visionox and the carrying value has been written down to zero in previous years. Kunshan Visionox's performance has since improved, but the Group has not reversed any impairment loss previously recognised. The Group will continuously monitor the development of Kunshan Visionox to consider whether the impairment loss could be partly or fully written-back.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

Looking forward, the economy in Europe and USA is expected to stay sluggish, inflation and labor cost in PRC will continue to maintain at a high level. Facing the challenges ahead, the management will react proactively by taking various management initiatives which include: (1) In respect of marketing, we will expand our distribution network and continue to promote high-end and high value-added products. (2) In respect of product offerings, in line with our market expansion, we will strengthen our product development effort to broaden our product range so as to increase the sources of revenues and improve our profit margins. (3) In respect of production, the newly added high-end production equipment will improve the production capacity of high-end products and increase our total output. At the same time, we will continue to take effective measures to improve our production efficiency and enhance the production yield to mitigate the pressure of rising production costs. (4) In respect of human resources, we will continue to adopt competitive packages to ensure that we will have adequate and competent human resources for the business growth of the Group. (5) In respect of financial management, we will continue to adhere to our 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 next year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2012, the Group's current ratio was 1.6 (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 31st March, 2012, the Group had total assets of approximately HK$2,052 million, which were financed by liabilities of HK$345 million and total equity of HK$1,707 million.

As at 31st March, 2012, the Group's banking facilities amounted to approximately HK$167 million (31st March, 2011: HK$148 million) of which approximately HK$9 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 currency risk and considers hedging significant foreign currency exposure should the need arise.

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

As at 31st March, 2012, the Group's held-for-trading investments of approximately HK$11 million (31st March, 2011: nil) have been charged to a financial institution for securities trading facilities granted to the Group.

MAJOR CUSTOMERS AND SUPPLIERS

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

	2012	2011
Percentage of purchases from the Group's largest supplier	4%	6%
Percentage of purchases from the Group's five largest suppliers	20%	24%
Percentage of turnover to the Group's largest customer	6%	7%
Percentage of turnover to the Group's five largest customers	21%	21%

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, 2012, 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 HK2.5 cents per share (2011: final dividend of HK2 cents and a special dividend of HK3 cents) for the year ended 31st March, 2012. Subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming Annual General Meeting, the final dividend will be paid on or about Monday, 8th October, 2012 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 21st September, 2012.

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, 2012, the Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code") 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 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.

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 Listing Rules' requirement for the Board to have at least one-third in number of its members comprising Independent Non-executive Directors.

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

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

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

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

Every Board member is entitled to have access to board papers and related materials 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.

The Directors are regularly updated and apprised of any new regulations and guidelines, as well as any amendments thereto issued by the Stock Exchange and the Hong Kong Companies Registry, particularly the effects of such new or amended regulations and guidelines on directors. On an ongoing basis Directors are encouraged to keep up to date on all matters relevant to the Group and attend briefings and seminars as appropriate.

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 has set up a Nomination Committee which is responsible for nominating appropriate person either to fill a casual vacancy or as an addition member to the existing Board.

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 three Board committees i.e. the Nomination Committee, 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.

Nomination Committee

The Nomination Committee was established during the year on 24th November, 2011. The Committee comprises all three Independent Non-executive Directors. Mr. Tien Pei Chun, James, was appointed as Chairman of the Nomination Committee. The terms of reference stipulating the authority and duties of the Nomination Committee conform to the provisions of the Code of CGP and are posted on the websites of the Stock Exchange and the Company.

The Nomination Committee shall meet at least once a year. No meeting was held during the year ended 31st March, 2012.

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

1. To review the structure, size and composition of the Board.

2. To identify individuals who are suitably qualified to become Directors.

3. To assess the independence of the Independent Non-executive Directors.

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 recommend to the Board for its approval the remuneration of the Directors; and to review and approve the remuneration of other 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, 2011 and for the six months ended 30th September, 2011;

(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 approved the scope and fees of the audit for the year ended 31st March, 2012.

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 auditor, Messrs Deloitte Touche Tohmatsu, is set out as follows:

Services rendered	**Fees paid and payable** *HK$*
Audit services	2,000,000
Non audit services	468,500
	2,468,500

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 Nomination Committee reviews the structure, size and composition of the Board and if needed, identifies individuals who are suitably qualify to become Directors.

(c) The Audit Committee 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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, 2012, 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 Company's 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 2011 Annual General Meeting, all Directors were present to answer shareholders' questions.

At the Company's 2011 Annual General Meeting, all votings were conducted by poll in accordance with the requirements of the Listing Rules.

Shareholders holding not less than one-tenth of the paid up capital of the Company shall have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after such requisition.

A Shareholders Communication Policy has been posted on the Company's website (www.yeebo.com.hk). Where Shareholders have any enquiry and/or proposals putting forward at shareholders' meeting they may send them by mail to the Company Secretary at the Company's principal place of business in Hong Kong or via email to ir@yeebo.com.hk.

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 35 and 15, respectively, to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2012 are set out in the consolidated statement of comprehensive income on page 27.

The directors now recommend the payment of a final dividend of HK2.5 cents per ordinary share to the shareholders on the register of members on 21st September, 2012, amounting to approximately HK$25,279,000, 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$71 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 31.

The Company's reserve available for distribution to shareholders as at 31st March, 2012 were as follows:

	2012	2011
	HK$'000	*HK$'000*
Contributed surplus	**49,259**	49,259
Retained profits	**36,163**	60,289
	85,422	109,548

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. Fang Hung, Kenneth and Mr. Leung Tze Kuen retire and, being eligible, offer themselves for re-election.

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

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

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 31st March, 2012, 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)*	40,542,013	697,692,368	738,234,381	73.01%

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, 2012, 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, 2012, 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, 2012, 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 shares or other listed securities of the Company or by any of its subsidiaries during the year.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2012 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, 2012.

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, 2012.

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
15th June, 2012

Deloitte.
德勤

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

We have audited the consolidated financial statements of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 27 to 81, which comprise the consolidated statement of financial position as at 31st March, 2012, 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, 2012, 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
Certified Public Accountants
Hong Kong

15th June, 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2012

	Notes	2012 HK$'000	2011 HK$'000
Revenue	5	**741,660**	646,798
Cost of sales		**(619,604)**	(525,063)
Gross profit		**122,056**	121,735
Other income	6	**13,978**	10,570
Other gains and losses	7	**(7,591)**	8,452
Selling and distribution expenses		**(43,597)**	(43,912)
Administrative expenses		**(26,563)**	(26,790)
Share of results of associates, net of impairment on interests in associates	15	**45,898**	3,075
Share of results of a jointly controlled entity		**–**	27,397
Profit before gain on deemed disposal of a jointly controlled entity		**104,181**	100,527
Gain on deemed disposal of a jointly controlled entity	16	**–**	1,213,828
Profit before income tax		**104,181**	1,314,355
Income tax expense			
– Deferred tax relating to enterprise income tax on gain on deemed disposal of a jointly controlled entity		**–**	(132,797)
– Others		**(12,003)**	(9,081)
	8	**(12,003)**	(141,878)
Profit for the year	9	**92,178**	1,172,477
Other comprehensive income			
Exchange differences arising on the translation of foreign operations		**55,322**	39,622
Reclassification adjustment of translation reserve upon deemed disposal of a jointly controlled entity		**–**	(26,459)
Share of exchange difference of an associate		**–**	(3,922)
		55,322	9,241
Total comprehensive income for the year		**147,500**	1,181,718

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2012

	Notes	**2012** HK$'000	2011 HK$'000
Profit for the year attributable to:			
Owners of the Company		**92,946**	1,170,562
Non-controlling interests		**(768)**	1,915
		92,178	1,172,477
Total comprehensive income attributable to:			
Owners of the Company		**148,227**	1,179,661
Non-controlling interests		**(727)**	2,057
		147,500	1,181,718
Earning per share – basic (expressed in HK$)	*13*	**0.09**	1.16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2012

	Notes	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment	14	**166,093**	108,868
Prepayment for acquisition of plant and equipment		**1,936**	36,380
Interests in associates	15	**1,558,794**	1,482,925
Available-for-sale investments	17	**2,739**	2,739
Intangible assets	18	**1,459**	1,459
		1,731,021	1,632,371
Current assets			
Inventories	19	**80,386**	79,197
Trade and other receivables	20	**136,168**	109,437
Bills receivable	21	**2,556**	4,075
Held-for-trading investments	22	**48,536**	48,705
Bank balances and cash	23	**52,877**	65,690
		320,523	307,104
Current liabilities			
Trade and other payables	24	**186,242**	175,697
Bills payable	24	**4,076**	4,116
Amount due to an associate	15	**311**	676
Derivative financial instruments	32	**452**	–
Tax payable		**13,136**	12,214
		204,217	192,703
Net current assets		**116,306**	114,401
Total assets less current liabilities		**1,847,327**	1,746,772
Non-current liability			
Deferred tax liabilities	25	**140,850**	138,556
		1,706,477	1,608,216

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2012

	Notes	**2012** **HK$'000**	2011 *HK$'000*
Capital and reserves			
Share capital	*26*	**202,231**	202,231
Reserves		**1,501,597**	1,403,928
Equity attributable to owners of the Company		**1,703,828**	1,606,159
Non-controlling interests		**2,649**	2,057
Total equity		**1,706,477**	1,608,216

The consolidated financial statements on pages 27 to 81 were approved and authorised for issue by the Board of Directors on 15th June, 2012 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, 2012

	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	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
Profit (loss) for the year	–	–	–	–	–	92,946	92,946	(768)	92,178
Other comprehensive income for the year									
Exchange difference arising on translation of foreign operations	–	–	–	–	55,281	–	55,281	41	55,322
Total comprehensive income for the year	–	–	–	–	55,281	92,946	148,227	(727)	147,500
Capital contribution from a non-controlling shareholder	–	–	–	–	–	–	–	1,319	1,319
Dividends recognised as distribution *(note 12)*	–	–	–	–	–	(50,558)	(50,558)	–	(50,558)
At 31st March, 2012	202,231	126,763	2,125	7,829	118,670	1,246,210	1,703,828	2,649	1,706,477

Note: The capital reserve 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, 2012

	2012 HK$'000	2011 HK$'000
Operating activities		
Profit before income tax	**104,181**	1,314,355
Adjustments for:		
Share of results of associates, net of impairment on interests in associates	**(45,898)**	(3,075)
Share of results of a jointly controlled entity	**–**	(27,397)
Interest income	**(349)**	(362)
Depreciation	**13,828**	23,255
Loss on fair value changes of derivative financial instruments	**452**	–
Gain on deemed disposal of a jointly controlled entity	**–**	(1,213,828)
Gain on disposal of property, plant and equipment	**(224)**	(155)
Allowance for doubtful debts	**672**	3,979
Allowance for inventories	**4,386**	4,122
Operating cash flows before movements in working capital	**77,048**	100,894
Increase in inventories	**(5,528)**	(15,652)
Increase in trade and other receivables	**(27,222)**	(34,251)
Decrease (increase) in bills receivable	**1,519**	(539)
Decrease in held-for-trading investments	**169**	11,952
Increase in trade and other payables	**35,763**	38,275
(Decrease) increase in bills payable	**(40)**	572
Net cash generated from operations	**81,709**	101,251
Income tax paid	**(8,787)**	(1,520)
Net cash from operating activities	**72,922**	99,731

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2012

	2012 *HK$'000*	2011 *HK$'000*
Investing activities		
Dividend received from the listed associate	**26,962**	–
Contribution to the pension fund of an associate	**(26,962)**	–
Interest received	**349**	362
Proceeds from disposals of property, plant and equipment	**224**	188
Acquisition of assets and liabilities through acquisition of a subsidiary	**–**	(21,337)
Purchase of property, plant and equipment	**(30,166)**	(48,290)
Prepayment for acquisition of plant and equipment	**(6,492)**	(36,103)
Net cash used in investing activities	**(36,085)**	(105,180)
Financing activities		
Dividend paid	**(50,558)**	(10,112)
Repayment of amount due to an associate	**(365)**	(299)
Capital contribution from a non-controlling shareholder	**1,319**	–
Net cash used in financing activities	**(49,604)**	(10,411)
Net decrease in cash and cash equivalents	**(12,767)**	(15,860)
Effect of changes in exchange rates	**(46)**	547
Cash and cash equivalents at beginning of the year	**65,690**	81,003
Cash and cash equivalents at end of the year, represented by bank balances and cash	**52,877**	65,690

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").

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised 2009)	Related Party Disclosures
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]

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

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[5]
HKAS 12 (Amendments)	Deferred Tax – Recovery of Underlying Assets[4]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[6]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
HK(IFRIC) – Int 20	Stripping costs in the Production Phase of a Surface Mine[2]

1 Effective for annual periods beginning on or after 1st July, 2011
2 Effective for annual periods beginning on or after 1st January, 2013
3 Effective for annual periods beginning on or after 1st January, 2015
4 Effective for annual periods beginning on or after 1st January, 2012
5 Effective for annual periods beginning on or after 1st July, 2012
6 Effective for annual periods beginning on or after 1st January, 2014

HKFRS 9 *Financial Instruments*

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. 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.

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

HKFRS 9 *Financial Instruments* (continued)

HKFRS 9 is effective for annual periods beginning on or after 1st January, 2015, 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, 2015 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.

HKFRS 13 *Fair Value Measurement*

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Investments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1st January, 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 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 result in more extensive disclosures in the consolidated financial statements.

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 financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 or (deemed cost) at its fair value of the investment retained in the former jointly controlled entity at the date when jointly control is lost, 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 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 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.

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)

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 the goods are delivered and titles have passed, at which time 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.

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 income 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.

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 in the consolidated statement of financial position 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

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).

Leasing

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. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (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, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. 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.

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 under the heading of translation reserve.

On the disposal of a foreign operation (i.e. 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.

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 recognised 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, 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Current and deferred tax are 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 current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arise from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Intangible assets

Club memberships with indefinite useful lives that are acquired separately 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. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

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. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

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

Financial assets at fair value through profit or loss

Financial assets at FVTPL represent investments held for trading.

A financial asset is classified as held for trading if:

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

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 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).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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 considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

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

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

- significant financial difficulty of the issuer or counterparty; or
- 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.

For certain categories of financial asset, such as trade and other receivables, assets that are assessed not to be impaired individually are, in addition, 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, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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 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 liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities (other than derivative financial instruments)

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

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Derivative financial instruments

Derivatives that do not qualify for hedge accounting are initially recognised at fair value at the date of derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment loss on tangible and intangible assets

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. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment loss on tangible and intangible assets (continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 immediately in profit or loss.

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 (or a cash-generating unit) 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 judgments, 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 associates

Determining whether interests in associates are impaired requires an estimation of future cash flows expected to be generated from the operations of the associates. The management will then estimate its share of the present value of the estimated future cash flow expected to be generated by the 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 associates is HK$1,558,794,000 (2011: HK$1,482,925,000) 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. The management estimates the net realisable value for inventories 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$4,386,000 (2011: HK$4,122,000). As at 31st March, 2012, the carrying amount of inventories is HK$80,386,000 (2011: HK$79,197,000)

Allowance for doubtful debts 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 allowance for doubtful debts is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows to be derived from the trade and other receivables. Where the actual future cash flows are less than expected, a material impairment loss may arise. During the year, the Group recognised allowance for doubtful debts on receivables amounting to approximately HK$672,000 (2011: HK$3,979,000). As at 31st March, 2012, the carrying amount of trade and other receivables is HK$136,168,000 (2011: HK$109,437,000).

Fair value of derivative financial instruments

The Group relies on the valuations provided by financial institutions to determine the fair value of the derivative financial instruments which are based on option pricing model. The key inputs applied in the valuation are disclosed in note 28C. Changes in the underlying assumptions and data could materially impact the fair value of the derivative financial instruments. The carrying amount of the derivative financial instruments as at 31st March, 2012 is HK$452,000 (2011: nil). The directors believe that the chosen valuation techniques and assumptions are appropriate in determining the fair value of derivative financial instruments.

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 executive directors and senior management, 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 reportable and operating segment.

2012

	LCDs HK$'000	LCMs HK$'000	Segment total HK$'000	Eliminations HK$'000	Consolidated HK$'000
Segment revenue					
External sales	366,419	375,241	741,660	–	741,660
Inter-segment sales	105,180	–	105,180	(105,180)	–
Total	471,599	375,241	846,840	(105,180)	741,660
Segment profit	43,670	21,976	65,646	–	65,646
Interest income					349
Dividend income					1,985
Loss on fair value changes of held-for-trading investments					(6,067)
Loss on fair value changes of derivative financial instruments					(452)
Unallocated administrative costs					(1,882)
Net exchange loss					(1,296)
Share of result of associates					45,898
Profit before income tax					104,181

5. REVENUE AND SEGMENT INFORMATION (continued)

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

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 expenses 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, gain on deemed disposal of a jointly controlled entity and share of results of a jointly controlled entity and share of results of associates, 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:

2012

	LCDs *HK$'000*	LCMs *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Depreciation	**10,782**	**2,868**	**13,650**	**178**	**13,828**
Gain on disposal of property, plant and equipment	**(188)**	**(36)**	**(224)**	**–**	**(224)**
Allowance for doubtful debts	**191**	**481**	**672**	**–**	**672**
Allowance for obsolete inventories	**2,167**	**2,219**	**4,386**	**–**	**4,386**

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

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").

Information about 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	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**175,616**	183,595	**7,668**	7,048
Other regions of the PRC	**116,100**	88,277	**161,623**	139,356
Japan	**82,112**	78,032	**–**	–
United States	**77,869**	71,508	**–**	–
Taiwan	**80,593**	59,772	**–**	–
Germany	**59,318**	47,623	**–**	–
Other European countries	**106,365**	82,675	**197**	303
Other Asian countries	**39,721**	30,737	**–**	–
Other countries	**3,966**	4,579	**–**	–
	741,660	646,798	**169,488**	146,707

Note: Non-current assets excluded interests in associates and available-for-sale investments.

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

6. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Interest on bank deposits	**349**	362
Dividend income from investments held-for-trading	**1,985**	1,888
Tooling income	**4,837**	3,969
Scrap sales	**3,837**	2,388
Others	**2,970**	1,963
	13,978	10,570

7. OTHER GAINS AND LOSSES

	2012 HK$'000	2011 HK$'000
Loss on fair value changes of derivative financial instruments	**(452)**	–
(Loss) gain on fair value changes of held-for-trading investments	**(6,067)**	9,529
Gain on disposal of property, plant and equipment	**224**	155
Net exchange loss	**(1,296)**	(1,232)
	(7,591)	8,452

8. INCOME TAX EXPENSE

	2012 HK$'000	2011 HK$'000
The income tax expense comprises:		
Current tax		
Hong Kong	**3,660**	1,866
Other jurisdictions	**6,049**	4,626
	9,709	6,492
Underprovision in prior years		
Hong Kong	**–**	5
Deferred taxation *(note 25)*		
Charge for the year	**2,294**	135,381
	12,003	141,878

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.

8. INCOME TAX EXPENSE (continued)

Under the EIT Law, distributable profits of a PRC company 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-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 listed associate since 1st January, 2008 accordingly. 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 was determined based on the assumed sales proceeds and original investment cost. The applicable EIT rate for non-residents which is payable on a withholding basis is 10%.

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

	2012 ***HK$'000***	2011 *HK$'000*
Profit before income tax	**104,181**	1,314,355
Tax at Hong Kong Profits Tax rate of 16.5%	**17,190**	216,869
Tax effect of share of results of associates	**(7,573)**	(4,698)
Tax effect of share of results of a jointly controlled entity	**–**	(4,521)
Tax effect of expenses that are not deductible for tax purpose	**2,866**	6,742
Tax effect of income not taxable for tax purpose	**(3,549)**	(6,016)
The effect of tax losses not recognised	**3**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,114**	1,044
Underprovision in respect of prior years	**–**	5
Utilisation of tax losses previously not recognised	**–**	(1,589)
Utilisation of deductible temporary differences previously not recognised	**(313)**	(1,077)
Withholding tax for undistributed profits in an associate/a jointly controlled entity	**2,294**	2,597
Effect of different tax rate arising from gain on deemed disposal of a jointly controlled entity	**–**	(67,484)
Others	**(29)**	6
Income tax expense for the year	**12,003**	141,878

9. PROFIT FOR THE YEAR

	2012 HK$'000	2011 HK$'000
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**2,160**	2,171
Cost of inventories recognised as expenses	**615,218**	520,941
Allowances for obsolete inventories (included in cost of sales)	**4,386**	4,122
Depreciation of property, plant and equipment	**13,828**	23,255
Staff costs, including directors' emoluments *(note 10)*	**164,250**	144,579
Allowance for doubtful debts	**672**	3,979
Share of tax of an associate (included in share of results of associates)	**8,225**	2,485
Share of tax of a jointly controlled entity (included in share of results of a jointly controlled entity)	**–**	3,944

10. DIRECTORS' EMOLUMENTS

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

Year ended 31st March, 2012

	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	2,104	720	–	–	–	4,264
Performance related incentive payments *(Note)*	–	500	300	–	–	–	800
Retirement benefit scheme contributions	–	130	51	–	–	–	181
Total emoluments	1,440	2,734	1,071	250	250	250	5,995

10. DIRECTORS' EMOLUMENTS (continued)

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

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, 2012.

11. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2011: two) were directors of the Company whose emoluments are included in note 10 above. The emoluments of the remaining three (2011: three) individuals were as follows:

	2012 ***HK$'000***	2011 *HK$'000*
Salaries and other benefits	**5,016**	1,559
Performance related incentive payments	**447**	4,677
Retirement benefit scheme contributions	**498**	75
Total emoluments	**5,961**	6,311

Their emoluments were within the following bands:

	2012 No. of employees	2011 No. of employees
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**2**	3

12. DIVIDENDS

Dividends recognised as distributions during the year:

	2012	2011
	HK$'000	*HK$'000*
Final dividend in respect of the year ended 31st March, 2011 of HK2 cents per share (2011: 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 (2011: Special dividend in respect of the year ended 31st March, 2010 of Nil)	**30,335**	–
	50,558	10,112

Proposed final and special dividends:

	2012	2011
	HK$'000	*HK$'000*
Final – HK2.5 cents (2011: HK2 cents) per share	**25,279**	20,223
Special – HKnil cent (2011: HK3 cents) per share	**–**	30,335
	25,279	50,558

The proposed final dividend for the year is subject to approval by the shareholders in the forthcoming general meeting.

13. EARNING PER SHARE

The calculation of the basic earning per share is based on the profit attributable to the owners of the Company for the year and 1,011,155,171 (2011: 1,011,155,171) ordinary shares in issue.

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

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, 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
Exchange realignment	–	3	11	–	1	–	15
Additions	207	–	743	2,247	2,644	65,261	71,102
Disposals	–	–	(297)	(69)	(1,274)	–	(1,640)
Transfers	18,805	835	–	42,443	–	(62,083)	–
At 31st March, 2012	73,069	33,989	15,067	317,590	6,826	34,080	480,621
DEPRECIATION AND AMORTISATION							
At 1st April, 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
Exchange realignment	–	13	44	–	7	–	64
Provided for the year	1,569	1,324	780	9,580	575	–	13,828
Eliminated on disposals	–	–	(297)	(69)	(1,274)	–	(1,640)
At 31st March, 2012	10,618	31,126	13,141	255,904	3,739	–	314,528
CARRYING VALUES							
At 31st March, 2012	62,451	2,863	1,926	61,686	3,087	34,080	166,093
At 31st March, 2011	45,008	3,362	1,996	26,576	1,024	30,902	108,868

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, except for construction in progress, 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:

	2012	2011
	HK$'000	*HK$'000*
Land and buildings in Hong Kong held under medium-term leases	**2,999**	3,177
Land and buildings outside Hong Kong held under:		
Freehold	**760**	797
Medium-term leases	**58,692**	41,034
	62,451	45,008

15. ASSOCIATES

Interests in associates

	2012	2011
	HK$'000	*HK$'000*
Cost of investments in associates		
Listed in the PRC	**1,423,811**	1,423,811
Unlisted	**245,410**	245,410
Share of post-acquisition results, other comprehensive income and impairment loss recognised, net of dividends received	**(110,427)**	(186,296)
	1,558,794	1,482,925
Fair value of listed investments	**1,223,873**	1,923,458

15. ASSOCIATES (continued)

Interests in associates (continued)

Details of the Group's principal associates as at 31st March, 2012 and 2011 are as follows:

Name	Form of business	Place of incorporation or registration/ operation	Proportion of nominal value of issued/registered capital held by the Group 2012	2011	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 *(Note b)*	Sino-foreign cooperate joint venture	The PRC	**34.58%**	34.58%	Development, manufacturing and selling of organic light products emitted display ("OLED") products
Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai") *(Note c)*	Incorporated	The PRC	**37.50%**	37.50%	Manufacturing and trading of aluminium electrolytic capacitors

Notes (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 17.3% of its enlarged 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) The Group, through a wholly-owned subsidiary, held 34.58% (2011: 34.58%) registered capital in Kunshan Visionox. In addition, Crown Capital held 12.66% issued capital in Kunshan Visionox.

The directors of the Company considered the financial impact of the restructuring to the Group was 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 had 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% (2011: 17%) and growth rate of turnover ranging from nil% to 1.7% for the first three years and remain steady for the remaining periods (2011: ranging from nil% to 4.5% for the first four-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 amounts of the interests in the unlisted associates were HK$nil at the end of both reporting periods.

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

Financial position

	2012	2011
	HK$'000	*HK$'000*
Total assets	**1,864,900**	1,809,977
Total liabilities	**(168,700)**	(336,434)
Net assets	**1,696,200**	1,473,543
Group's share of net assets of associates	**636,075**	552,579

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

	2012	2011
	HK$'000	*HK$'000*
Share of profit of associates, net of impairment loss on interests in associates	**45,898**	28,473
Group's contribution to the pension fund for the employees of an associate *(note)*	**–**	(25,398)
	45,898	3,075

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 was an amount of HK$25,398,000 which related to the Group's contribution to the pension fund (the "Fund") for the retired and retiring employees of Nantong Jianghai, 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

	2012 HK$'000	2011 HK$'000
Revenue	**1,206,420**	714,165
Profit for the year	**122,396**	101,848
Other comprehensive expense	**–**	(8,336)
Group's share of associates' profits for the year	**45,898**	40,737

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

16. GAIN ON DEEMED DISPOSAL OF 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 (note 15).

The Group 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 resulted in the recognition of a gain on deemed disposal of interest in a jointly controlled entity in profit or loss which was calculated as follows:

	2011 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.

16. GAIN ON DEEMED DISPOSAL OF 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
	HK$'000
Revenue	245,138
Expense	217,741

17. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments represent unlisted equity securities of a private entity engaging in manufacturing and trading of aluminium formed foil in the PRC. It is measured at cost less impairment at the end of the reporting period as the directors of the Company are of the opinion that their fair values cannot be measured reliably. No impairment was identified on this unlisted equity securities at the end of the reporting period.

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

	2012	2011
	HK$'000	*HK$'000*
Raw materials	**35,161**	38,349
Work in progress	**14,750**	14,696
Finished goods	**30,475**	26,152
	80,386	79,197

20. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**114,301**	93,316
Other receivables	**3,296**	2,868
Deposits	**7,640**	8,359
Prepayments	**10,931**	4,894
	136,168	109,437

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$86,818,000 (2011: HK$60,303,000).

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:

	2012	2011
	HK$'000	*HK$'000*
1 – 30 days	**61,870**	48,375
31 – 60 days	**35,424**	21,199
61 – 90 days	**9,819**	17,389
91 – 120 days	**7,188**	6,353
	114,301	93,316

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

Included in the Group's trade receivable balance are debtors with a carrying amount of approximately HK$29,224,000 (2011: HK$18,063,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as the directors assessed that the balances will be recovered based on their settlement records. The Group does not hold any collateral over these balances.

All trade receivables which are past due but not impaired amounting to HK$29,224,000 (2011: HK$18,063,000) are 1-30 days overdue based on the payment due date.

20. TRADE AND OTHER RECEIVABLES (continued)

Movement in the allowance for doubtful debts

	2012 HK$'000	2011 HK$'000
Balance at beginning of the year	**20,387**	22,102
Currency realignment	**28**	238
Impairment losses recognised	**672**	3,979
Amounts written off	**(5,912)**	(5,932)
Balance at end of the year	**15,175**	20,387

Included in the allowance for doubtful debts are individually impaired trade and other receivables with a balance of HK$15,175,000 (2011: HK$20,387,000) 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, 2012 and 2011 were due within 90 days.

The Group's bills receivable that is denominated in currencies other than functional currencies of the relevant group entities, as stated in note 28b(i), amounted to HK$1,569,000 (2011: HK$2,670,000).

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 1.35% (2011: 0.01% to 1.21%) 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$42,839,000 (2011: HK$49,168,000).

24. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**89,077**	71,810
Accrued charges	**65,602**	57,708
Other payables	**35,639**	50,295
	190,318	179,813
Amount analysed for reporting purposes as:		
Trade and other payables	**186,242**	175,697
Bills payable	**4,076**	4,116
	190,318	179,813

Included in other payables at 31st March, 2011 was 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:

	2012	2011
	HK$'000	*HK$'000*
Up to 30 days	**35,991**	25,059
31 – 60 days	**21,459**	14,953
61 – 90 days	**12,843**	17,506
91 – 120 days	**11,301**	6,659
Over 120 days	**7,483**	7,633
	89,077	71,810

All the Group's bills payables as at 31st March, 2012 and 2011 were due within 90 days.

The Group's trade and other payables that are denominated in currencies as stated in note 28b(i), other than functional currencies of the relevant group entities, amounted to HK$94,409,000 (2011: HK$79,462,000).

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, 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
Charge (credit) to profit or loss	–	2,294	89	(89)	–	2,294
At 31st March, 2012	132,797	8,066	317	(330)	–	140,850

For the purpose of consolidated statement of financial position presentation, the above deferred tax assets and liabilities have been offset.

At the end of the reporting period, the Group had unused tax losses of HK$11.3 million (2011: HK$11.3 million) and temporary differences on allowance for receivables of HK$4.1 million (2011: HK$5.5 million) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses for both years ended. No deferred tax asset has been recognised in respect of the temporary differences on allowance for receivables of HK$2.1 million (2011: HK$4 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 was recognised on the gain for the year ended 31st March, 2011.

26. SHARE CAPITAL

	Number of shares		Share capital	
	2012	2011	**2012**	2011
	'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, 2012 and 2011.

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

	2012 HK$'000	2011 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**179,463**	165,949
Available-for-sale investments	**2,739**	2,739
Held-for-trading investments	**48,536**	48,705
Financial liabilities		
Financial liabilities at amortised cost	**130,641**	122,782
Derivative financial instruments	**452**	–

28b. Financial risk management and policies

The 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 internal risk assessment which analyses exposures by degree and magnitude of risks to mitigate these risk exposures. The group has formulated policies on 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.

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 70% (2011: 56%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale, whilst approximately 65% (2011: 79%) 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 end of reporting period are as follows:

28. FINANCIAL INSTRUMENTS (continued)

28b. Financial risk management and policies (continued)

Market risks (continued)

(i) *Currency risk* (continued)

	Assets		Liabilities	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Renminbi ("RMB")	**61,670**	45,120	**49,342**	49,320
Taiwan dollars ("NTD")	**8,945**	6,837	**81**	1
Japanese Yen ("JPY")	**308**	950	**4,514**	2,366
United States dollars ("USD")	**59,925**	59,303	**40,439**	27,739

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 where the functional currency of the relevant group entities strengthen 5% against relevant currency. For a 5% weakening of the functional currency of the relevant group entities against the relevant currency, there would be an equal and opposite impact on the post-tax profit, and the balances below would be negative.

	2012	2011
	HK$'000	*HK$'000*
RMB	**(515)**	175
NTD	**(370)**	(285)
JPY	**176**	59

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 balance. 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 and derivative financial instruments 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 end of the reporting period.

If the prices of the respective held-for-trading investments had been 10% (2011: 10%) higher/lower, post-tax profit of the Group for the year would increase/decrease by HK$4,053,000 (2011: HK$4,067,000) as a result of the changes in fair value of held-for-trading investments.

The management considers the equity price risk to the derivative financial instruments is not significant as the underlying security of the derivative financial instruments is a blue-chip Hong Kong listed equity security, accordingly, no sensitivity analysis is prepared.

28. FINANCIAL INSTRUMENTS (continued)

28b. Financial risk management and policies (continued)

Credit risk

As at 31st March, 2012, 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.

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

The Group has concentration of credit risk as 28% (2011: 19%) 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 risk, 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, 2012, the Group's banking facilities amounted to approximately HK$167,000,000 (2011: HK$148,000,000) of which approximately HK$9,000,000 (2011: HK$6,000,000) 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*
2012	
Non-derivative financial liabilities	
Trade and other payables	**126,254**
Bills payable	**4,076**
Amount due to an associate	**311**
	130,641

	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

The management considers no significant cash outflows of derivative financial instruments and, accordingly, no analysis of the liquidity table in respect of the derivative financial instruments is presented.

28. FINANCIAL INSTRUMENTS (continued)

28c. Fair value

The fair value of financial assets and financial liabilities other than derivative financial instruments 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 bid prices.

(ii) The fair value of derivative financial instruments is determined in accordance with option pricing model based with key inputs such as the time to maturity, knock-out probability, volatility, dividend yield, spot price of the underlying asset, interest rate level and the accumulating forward price of the transaction.

(iii) 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).

28. FINANCIAL INSTRUMENTS (continued)

28c. Fair value (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

- 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	**Level 2**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
2012			
Held-for-trading investments	**48,536**	**–**	**48,536**
Derivative financial instruments	**–**	**(452)**	**(452)**
Total	**48,536**	**(452)**	**48,084**

	Level 1	Level 2	Total
	HK$'000	*HK$'000*	*HK$'000*
2011			
Held-for-trading investments	48,705	–	48,705

There were no transfers between Levels 1 and 2 in both years.

29. CAPITAL COMMITMENT

	2012	2011
	HK$'000	*HK$'000*
Expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Acquisition of plant and machinery	**11,838**	13,546
– Further capital contribution to an associate *(note)*	**49,300**	47,528
	61,138	61,074

Note: The Group had agreed to contribute RMB40,000,000 (equivalent to HK$49,300,000 (2011: HK$47,528,000)) to the registered capital of Kunshan Visionox. As at 31st March, 2012 and 2011, the Group had not made such contribution to Kunshan Visionox. The Group has signed an agreement with all other equity holders of Kunshan Visionox to reduce the registered capital of Kunshan Visionox by RMB40,000,000 ("Capital Reduction") and the Group is not obliged to contribute RMB40,000,000 to the registered capital. Subsequent to the end of the reporting period, the relevant government authority has formally approved the Capital Reduction.

30. OPERATING LEASE COMMITMENT

As lessee

Minimum lease payments paid under operating leases for rented premises and rented motor vehicles during the year amounted to approximately HK$4,207,000 (2011: HK$3,962,000) and HK$550,000 (2011: HK$nil) respectively.

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:

	2012		2011	
	Rented premises	**Motor vehicles**	Rented premises	Motor vehicles
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Within one year	**584**	**561**	2,624	–
In the second to fifth year inclusive	**1,357**	**852**	2,027	–
	1,941	**1,413**	4,651	–

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

31. 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$4,208,000 (2011: HK$3,107,000) after forfeited contributions utilised in the MPF Scheme of approximately HK$3,000 (2011: approximately HK$73,000) represents contributions payable to these schemes by the Group in respect of the current year.

32. DERIVATIVE FINANCIAL INSTRUMENTS

At 31st March, 2012, the Group has one outstanding equity decumulator contract with maturity date on 19th December, 2012. The derivative financial instruments are classified as held-for-trading investments and measured at fair value at the end of the reporting period. Based on the contract, the Group has an obligation to sell a specified number of a blue-chip Hong Kong listed equity security ("Share") daily if the stock price is lower than the predetermined forward price, and sell double the number of the Share daily if such stock price is higher than the predetermined forward price. The counterparty financial institution can terminate the contract when the market price of the underlying equity security is lower than a knock-out price set out in the contract.

33. PLEDGE OF ASSETS

At 31st March, 2012, securities trading facility in respect of investment in derivative financial instruments is secured by the held-for-trading investments of the Group of approximately HK$11 million at the end of the reporting period.

34. RELATED PARTY TRANSACTIONS

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

	2012	2011
	HK$'000	*HK$'000*
Nature of transactions		
Accountancy service income	**360**	360

Compensation of key management personnel

The remuneration of directors during the year was as follows:

	2012	2011
	HK$'000	*HK$'000*
Short-term benefits	**5,814**	7,934
Post-employment benefits	**181**	288
	5,995	8,222

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, 2012 and 2011 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%	Trading of LCDs and LCMs and investment holding
Yeebo Manufacturing Limited	Incorporated	Hong Kong	HK$10,000	100%	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, 2012 and 2011 is as follows:

	2012	2011
	HK$'000	*HK$'000*
Assets		
Investments in subsidiaries	**83,384**	83,384
Amounts due from subsidiaries	**343,933**	395,008
Prepayments	**231**	200
Bank balances and cash	**217**	252
	427,765	478,844
Liabilities		
Accrued charges	**2,700**	6,865
Amounts due to subsidiaries	**2,806**	25,494
Tax payables	**14**	114
	5,520	32,473
	422,245	446,371
Capital and reserves		
Share capital	**202,231**	202,231
Reserves	**220,014**	244,140
	422,245	446,371

FINANCIAL SUMMARY

RESULTS

	Year ended 31st March,				
	2008	2009	2010	2011	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Turnover	680,973	515,002	454,565	646,798	**741,660**
Profit (loss) before income tax	6,392	(40,991)	(128,180)	1,314,355	**104,181**
Income tax expense	(3,916)	(1,637)	(2,570)	(141,878)	**(12,003)**
Profit (loss) for the year	2,476	(42,628)	(130,750)	1,172,477	**92,178**
Attributable to:					
Owners of the Company	10,978	(38,252)	(130,398)	1,170,562	**92,946**
Non-controlling interests	(8,502)	(4,376)	(352)	1,915	**(768)**
	2,476	(42,628)	(130,750)	1,172,477	**92,178**

ASSETS AND LIABILITIES

	At 31st March,				
	2008	2009	2010	2011	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Assets and liabilities					
Total assets	935,515	676,730	563,630	1,939,475	**2,051,544**
Total liabilities	(171,442)	(99,555)	(127,020)	(331,259)	**(345,067)**
	764,073	577,175	436,610	1,608,216	**1,706,477**
Equity attributable to owners of the Company	639,120	577,175	436,610	1,606,159	**1,703,828**
Non-controlling interests	124,953	–	–	2,057	**2,649**
	764,073	577,175	436,610	1,608,216	**1,706,477**