



YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259



INTERIM REPORT

2012/13

CHAIRMAN'S STATEMENT

Dear Shareholders,

In the period under review, the global economy was weak. The weakening US economy, the European sovereign debt crisis and the tightening fiscal policies adopted by the PRC government posted great challenges to our Group. The global demand for electronic products had fallen as many customers adopted the "de-inventory" measures in light of the prevailing uncertain economic conditions.

Nevertheless, the Group's turnover recorded an increase of 6% to HK\$411 million (2011: HK\$388 million), thanks to the newly installed production line which equipped the Group the capability to expand its business in the high end market segment. The growth in business was mainly generated by the increase in the turnover of LCM, which rose by 9% as compared to the corresponding period of last year. Moreover, the Group's committed strategy in diversifying the customer base has been able to mitigate, to certain extent, the negative impact of the fall in demand.

Labour shortage and the rise in wage level in the PRC continued to be a challenge to the Group. The Group followed the market trend and increased the wages to maintain our competitiveness in the labour market. This is considered to be necessary in order to maintain a stable workforce in production so as to demonstrate to our customers that we are able to provide reliable supply of goods. The increase in labour costs inevitably increased the manufacturing costs and affected the profitability. Since the onset of the shortage of labour supply in recent years, the management continue to focus on improving the production efficiency through automation and streamlining the operation.

The profit before income tax for the current period increased by HK\$3 million from HK\$49 million to HK\$52 million. The profit generated from the Group's core display business and the Group's share of profits from Nantong Jianghai Capacitor Company Limited, a 37.5% owned associated company, dropped as both businesses were affected by falling demand and rising manufacturing costs. The trading of securities performed better this period and recorded a gain of HK\$1 million as opposed to a loss of HK\$15 million in the corresponding period of last year.

Looking ahead to the second half of this financial year, the global economy is expected to be lackluster. We are committed to expand into the high end market segment and focus on improving production efficiency to sustain our competitiveness in the display industry. We believe our strategy will lead the Group through the gloomy economic conditions ahead.

Fang Hung, Kenneth

Chairman

Hong Kong, 30th November, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the six months ended 30th September, 2012 of approximately HK\$411 million (2011: HK\$388 million), an increase of HK\$23 million or 6% as compared with the corresponding period of last year. Profit attributable to equity holders of the Group was HK\$48 million (2011: HK\$44 million), representing an increase of approximately HK\$4 million.

Turnover of the Liquid Crystal Displays ("LCD") increased by HK\$5 million, from HK\$191 million to HK\$196 million, and turnover of the Liquid Crystal Display Modules ("LCM") increased by HK\$19 million, from HK\$196 million to HK\$215 million. In the segment results, the LCD segment recorded an increase in segment profit of HK\$1 million from HK\$24 million for the last year to HK\$25 million this year, and the LCM segment recorded a decrease in segment profit of HK\$8 million from HK\$13 million for the last year to HK\$5 million this year.

The Group recorded a gross profit of approximately HK\$61 million (2011: HK\$67 million) and a gross profit margin of 15% (2011: 17%) for the six months ended 30th September, 2012. The reasons for the decrease in gross profit margin were three folded: (1) the trend of rising wages in PRC persisted; (2) the production yield of the new production line was in the learning curve stage; and (3) keen price competition.

During the period, other income amounted to approximately HK\$9 million (2011: HK\$8 million). The other income mainly composed tooling income, scrap sales and dividend received.

Net gain from other gains and losses amounted to approximately HK\$1 million (2011: net loss of HK\$17 million), which was mainly attributable to the gain from fair value changes of held-for-trading investments and derivative financial instruments of approximately HK\$1 million (2011: loss of HK\$15 million).

Selling and distribution expenses amounted to approximately HK\$24 million (2011: HK\$24 million), and maintained at 6% of turnover (2011: 6%).

Administrative expenses for the six months ended 30th September, 2012 amounted to HK\$19 million (2011: HK\$14 million), representing an increase of HK\$5 million, which was mainly due to the additional costs incurred by the Group's new line of business engaging in the development and sales of LCD related optical products. The related results were incorporated in a new segment in the segment information.

Investments in Associates

Investment in Nantong Jianghai Capacitor Company Ltd (“Nantong Jianghai”)

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

During the period under review, the weakening global economy affected the business performance of Nantong Jianghai. The turnover and operating profit of Nantong Jianghai declined as compared with the previous year. There was a fall in demand of aluminum electrolytic capacitors from overseas and PRC markets as “de-inventory” measures were adopted by the customers. The sales of aluminum formed foil, which is one of the major materials of aluminum electrolytic capacitor, was inevitably affected as well. The share of profit from Nantong Jianghai dropped from HK\$30 million to HK\$25 million in the period under review.

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 OLED products. Impairment loss has been provided in previous years to write down the carrying amount of the Group’s investment in Kunshan Visionox to zero. As a result, the Group did not share any profit or loss of Kunshan Visionox during the period. The Group will continue to monitor the development of Kunshan Visionox to consider whether the impairment loss could partly or fully be reversed.

PROSPECTS

Looking forward, the global economy remains unstable. In China, the labour cost will continue to maintain at high level. The profit margin of the Group is expected to remain under pressure. We will continue to expand the market share in the high end market and adopt measures to streamline the operation and enhance the production efficiency.

The management maintains a cautious view towards the results of the Group for the latter half of the financial year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2012, the Group’s current ratio was 1.4 (31st March, 2012: 1.6). The gearing ratio, as a ratio of bank borrowings to net worth, was 1.7% (31st March, 2012: nil).

As at 30th September, 2012, the Group had total assets of approximately HK\$2,153 million, which were financed by liabilities of HK\$427 million and total equity of HK\$1,726 million.

As at 30th September, 2012, the Group’s banking facilities amounted to approximately HK\$167 million (31st March, 2012: HK\$167 million) of which approximately HK\$40 million (31st March, 2012: HK\$9 million) were utilized mainly for issuance of letters of credit, short term loan and bills payable.

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

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

At 30th September, 2012, securities trading facility in respect of investment in derivative financial instruments was secured by the held-for-trading investments of the Group of approximately HK\$5.7 million (31st March, 2012: HK\$11 million). As at 30th September, 2012, the Group has available unutilised facility of approximately HK\$19.1 million (31st March, 2012: HK\$18.8 million).

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.

In October 2012, the Company adopted a restricted share award scheme (the "Scheme") pursuant to which shares of the Company will be purchased by an independent trustee from the market and held in trust for the participants of the Scheme, including employees or consultants engaged by any member of the Group, until such shares are vested with the relevant participants in accordance with the provisions of the Scheme. The purpose of the Scheme is to act as an incentive to retain and encourage the participants for the continual operation and development of the Group. Details of the Scheme have been set out in an announcement dated 25th October, 2012.

DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30th September, 2012.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 30th September, 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 share of the Company

	Number of shares and nature of interests			Percentage of Company's issued capital
	Personal interests	Through controlled corporations	Total	
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 owns 51% and 49%, respectively, of the issued share capital of Antrix Investment Limited.

Save as disclosed above, as at 30th September, 2012, none of the directors, the chief executives nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30th September, 2012, the following interests and short position of 5% or more in the shares and underlying shares of the Company were recorded in register maintained by the Company pursuant to Section 336 of the SFO.

Long position in the shares of the Company

	Capacity and nature of interest	Number of shares held	% of the Company's issued share capital
Antrix Investment Limited (Note i)	Directly beneficially owned	697,692,368	69.00%
Esca Investment Limited (Note i)	Indirectly beneficially owned	697,692,368	69.00%
Megastar Venture Limited (Note i)	Indirectly beneficially owned	697,692,368	69.00%
Mr Wong Koon Kau (Note ii)	Directly and indirectly beneficially owned	67,812,000	6.71%

Notes:

- (i) Antrix Investment Limited is held as to 51% by Esca Investment Limited (a company wholly-owned by Mr Fang Hung, Kenneth) and 49% by Megastar Venture Limited (a company wholly-owned by Mr Li Kwok Wai, Frankie). The Shares held by Esca Investment Limited and Megastar Venture Limited represent the same interest held by Antrix Investment Limited, which have also been disclosed as an interest of Mr Fang Hung, Kenneth and Mr Li Kwok Wai, Frankie under the section "Interests of Directors' and Chief Executive in Securities".
- (ii) Mr Wong Koon Kau ("Mr Wong") is the beneficial owner of 51,788,000 shares of the Company. Mr Wong also beneficially owns 50% of Discovery Zone Asia Limited which in turn owns 16,024,000 shares of the Company.

Save as disclosed above, as at 30th September, 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.

CORPORATE GOVERNANCE

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

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

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

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of Directors, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are as follows:

The Hon. Tien Pei Chun, James has been elected as a Legislative Council member for a term of four years effective 1st October, 2012.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the six months ended 30th September, 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of securities of the Company or by any of its subsidiaries during the six months ended 30th September, 2012.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive Directors, namely The Hon. Tien Pei Chun, James, Mr Chu Chi Wai, Allan and Mr Lau Yuen Sun, Adrian. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters, including a review of the unaudited condensed accounts for the six months ended 30th September, 2012.

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

Hong Kong, 30th November, 2012

Deloitte.

德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF YEEBO (INTERNATIONAL HOLDINGS) LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries set out on pages 10 to 24 which comprises the condensed consolidated statement of financial position as of 30th September, 2012 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

30th November, 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*For the six months ended 30th September, 2012*

	Notes	Six months ended	
		30.9.2012 HK\$'000 (unaudited)	30.9.2011 HK\$'000 (unaudited)
Revenue	3	411,147	387,936
Cost of sales		(350,344)	(321,423)
Gross profit		60,803	66,513
Other income		9,072	7,958
Interest income		231	221
Other gains and losses	4	549	(17,419)
Selling and distribution expenses		(24,333)	(23,838)
Administrative expenses		(19,337)	(14,383)
Finance costs		(377)	–
Share of results of associates		25,218	29,625
Profit before income tax		51,826	48,677
Income tax expense	5	(6,065)	(4,116)
Profit for the period	6	45,761	44,561

	Six months ended	
	30.9.2012	30.9.2011
<i>Notes</i>	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Other comprehensive (expense) income:		
Exchange differences arising on translation of foreign operations	(176)	39,098
Total comprehensive income for the period	45,585	83,659
Profit (loss) for the period attributable to:		
Owners of the Company	47,698	44,110
Non-controlling interests	(1,937)	451
	45,761	44,561
Total comprehensive income attributable to:		
Owners of the Company	47,648	83,197
Non-controlling interests	(2,063)	462
	45,585	83,659
Earnings per share		
Basic – HK cents	8	4.36

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30th September, 2012

	Notes	30.9.2012 HK\$'000 (unaudited)	31.3.2012 HK\$'000 (audited)
Non-current assets			
Property, plant and equipment	9	174,130	166,093
Prepayment for acquisition of property, plant and equipment		3,815	1,936
Interests in associates	10	1,584,012	1,558,794
Available-for-sale investments		2,739	2,739
Intangible assets		1,459	1,459
		1,766,155	1,731,021
Current assets			
Inventories		110,351	80,386
Trade and other receivables	11	149,694	136,168
Bills receivables	11	13,803	2,556
Held-for-trading investments		37,932	48,536
Bank balances and cash		75,442	52,877
		387,222	320,523
Current liabilities			
Trade and other payables	12	207,654	186,242
Bills payables	12	5,664	4,076
Dividend payable		25,279	–
Amount due to an associate	13	119	311
Derivative financial instruments	14	298	452
Bank borrowings	15	28,690	–
Tax payable		16,779	13,136
		284,483	204,217
Net current assets		102,739	116,306
Total assets less current liabilities		1,868,894	1,847,327

	30.9.2012	31.3.2012
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Non-current liability		
Deferred tax liabilities	142,111	140,850
	1,726,783	1,706,477
Capital and reserves		
Share capital	16	202,231
Reserves	1,523,966	1,501,597
Equity attributable to owners of the Company	1,726,197	1,703,828
Non-controlling interests	586	2,649
Total equity	1,726,783	1,706,477

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th September, 2012

	Attributable to owners of the Company								Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Translation reserve	Retained profits	Total			
	HK\$'000	HK\$'000	Capital reserve (Note) HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1st April, 2011 (audited)	202,231	126,763	2,125	7,829	63,389	1,203,822	1,606,159	2,057	1,608,216	
Profit for the period	-	-	-	-	-	44,110	44,110	451	44,561	
Exchange differences arising on translation of foreign operations	-	-	-	-	39,087	-	39,087	11	39,098	
Total comprehensive income for the period	-	-	-	-	39,087	44,110	83,197	462	83,659	
Dividend – declared (Note 7)	-	-	-	-	-	(50,558)	(50,558)	-	(50,558)	
At 30th September, 2011 (unaudited)	202,231	126,763	2,125	7,829	102,476	1,197,374	1,638,798	2,519	1,641,317	
At 1st April, 2012 (audited)	202,231	126,763	2,125	7,829	118,670	1,246,210	1,703,828	2,649	1,706,477	
Profit for the period	-	-	-	-	-	47,698	47,698	(1,937)	45,761	
Exchange differences arising on translation of foreign operations	-	-	-	-	(50)	-	(50)	(126)	(176)	
Total comprehensive (expense) income for the period	-	-	-	-	(50)	47,698	47,648	(2,063)	45,585	
Dividend – declared (Note 7)	-	-	-	-	-	(25,279)	(25,279)	-	(25,279)	
At 30th September, 2012 (unaudited)	202,231	126,763	2,125	7,829	118,620	1,268,629	1,726,197	586	1,726,783	

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30th September, 2012*

	Six months ended	
	30.9.2012	30.9.2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash from operating activities	11,219	14,522
Investing activities		
Purchase of property, plant and equipment	(15,790)	(11,479)
Prepayment for acquisition of property, plant and equipment	(1,879)	(1,213)
Proceeds from disposal of property, plant and equipment	–	175
Dividend received from the associate	–	25,398
Others	231	221
Net cash (used in) from investing activities	(17,438)	13,102
Cash from financing activity		
New bank loans raised	28,690	–
Net increase in cash and cash equivalents	22,471	27,624
Effect of change in exchange rates	94	(104)
Cash and cash equivalents at beginning of the period	52,877	65,690
Cash and cash equivalents at end of the period, represented by bank balances and cash	75,442	93,210

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30th September, 2012

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2012.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

Amendments to HKFRS 7	<i>Disclosures – Transfers of Financial Assets</i>
Amendments to HKAS 12	<i>Deferred Tax: Recovery of Underlying Assets</i>

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating segments, 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, focus on the types of products sold by the Group's operating divisions, which are liquid crystal displays ("LCDs"), liquid crystal displays modules ("LCMs") and LCD-related optical products.

In late 2011, the Group commenced to develop LCD-related optical products. During the period, the CODM considers these products as a separate operating and reporting segment for the purpose of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below.

3. SEGMENT INFORMATION *(continued)*

Six months ended 30th September, 2011

	LCDs HK\$'000	LCMs HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue					
External sales	191,450	196,486	387,936	-	387,936
Intersegment sales	53,062	-	53,062	(53,062)	-
Total	244,512	196,486	440,998	(53,062)	387,936
Segment profit	23,778	12,965			36,743
Interest income					221
Dividend income					849
Loss on fair value changes of held-for-trading investments					(12,790)
Unallocated administrative costs					(3,515)
Loss on fair value changes of derivative financial instruments					(2,456)
Share of results of associates					29,625
Profit before income tax					48,677

Segment profit (loss) represents the profit (loss) generated from/incurred by each segment, net of selling and distribution costs and administrative costs directly attributable to each segment without allocation of interest income, dividend income, fair value changes of held-for-trading investments and derivative financial instruments, unallocated administrative costs, finance costs and share of results of associates. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

As the CODM reviews the Group's assets and liabilities for the Group as a whole on a consolidated basis, no assets or liabilities are allocated to the operating segments. Therefore, no analysis of segment assets and liabilities is presented.

4. OTHER GAINS AND LOSSES

	Six months ended	
	30.9.2012 HK\$'000	30.9.2011 HK\$'000
(Loss) gain on disposal of property, plant and equipment	(26)	175
Net exchange loss	(135)	(2,348)
Gain (loss) on fair value changes of derivative financial instruments	154	(2,456)
Gain (loss) on fair value changes of held-for-trading investments	556	(12,790)
	549	(17,419)

5. INCOME TAX EXPENSE

	Six months ended	
	30.9.2012 HK\$'000	30.9.2011 HK\$'000
The tax charge comprises:		
Current tax		
Hong Kong	2,109	152
Other jurisdictions	2,695	2,483
	4,804	2,635
Deferred taxation		
Current period	1,261	1,481
	6,065	4,116

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

Under the Law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

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

5. INCOME TAX EXPENSE *(continued)*

Pursuant to the above-mentioned, the Group has recognised a deferred tax liability for the Group's share of distributable profits earned by an associate, Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai"), since 1st January, 2008. No deferred tax liabilities have been recognised in respect of the PRC subsidiaries and the remaining associates as the subsidiaries and the remaining associates have no distributable profits since 1st January, 2008.

6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended	
	30.9.2012	30.9.2011
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	13,292	9,248
Allowances for obsolete inventories (included in cost of sales)	1,425	2,267
Share of tax of associates (included in share of results of associates)	2,798	5,221
Allowances for doubtful debts	256	3,411
	<hr/> 25,771	<hr/> 10,147

7. DIVIDEND

	Six months ended	
	30.9.2012	30.9.2011
	HK\$'000	HK\$'000
Final dividend in respect of the year ended 31st March, 2012 of HK2.5 cents per share (2011: Final dividend in respect of the year ended 31st March, 2011 of HK2 cents per share)	25,279	20,223
Special dividend in respect of the year ended 31st March, 2012 of HKnil cent per share (2011: HK3 cents per share)	–	30,335
	<hr/> 25,279	<hr/> 50,558

8. EARNINGS PER SHARE

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

	Six months ended	
	30.9.2012	30.9.2011
Earnings attributable to the owners of the Company for the purpose of basic earnings per share (HK\$'000)	47,698	44,110
Number of ordinary shares for the purpose of basic earnings per share	1,011,155,171	1,011,155,171

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

9. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

The Group spent approximately HK\$24,033,000 (six-month period ended 30th September, 2011: HK\$18,040,000) on the additions to the property, plant and equipment.

10. INTERESTS IN ASSOCIATES

As at 30th September, 2012, the market value of the Group's investment in its listed associate, Nantong Jianghai (as measured by the market price of Nantong Jianghai's shares) amounted to approximately HK\$995,004,000 (31st March, 2012: HK\$1,223,873,000), as compared to a carrying amount of HK\$1,584,012,000 (31st March, 2012: HK\$1,558,794,000). Accordingly, the directors of the Company have tested the Group's interest in the associate for impairment by assessing its recoverable amount, which was determined to be the value in use of the interest in the associate, using a discount rate of 11.5% per annum, representing the weighted average cost of capital of the associate. As the recoverable amount of the interest in the associate is not lower than its carrying amount, no impairment was considered necessary.

11. TRADE AND OTHER RECEIVABLES/BILLS RECEIVABLES

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

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

	30.9.2012 HK\$'000	31.3.2012 HK\$'000
1 – 30 days	69,995	61,870
31 – 60 days	50,526	35,424
61 – 90 days	15,838	9,819
91 – 120 days	1,096	7,188
	137,455	114,301

All the Group's bills receivables as at 30th September, 2012 and 31st March, 2012 were due within 90 days.

12. TRADE AND OTHER PAYABLES/BILLS PAYABLES

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

	30.9.2012 HK\$'000	31.3.2012 HK\$'000
Up to 30 days	45,233	35,991
31 – 60 days	40,532	21,459
61 – 90 days	19,387	12,843
91 – 120 days	5,459	11,301
Over 120 days	4,063	7,483
	114,674	89,077

All the Group's bills payables as at 30th September, 2012 and 31st March, 2012 were due within 90 days.

13. AMOUNT DUE TO AN ASSOCIATE

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

14. DERIVATIVE FINANCIAL INSTRUMENTS

At 30th September, 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 current interim 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.

15. BANK BORROWINGS

During the period, the Group raised bank loans of HK\$28,690,000 (six months ended 30th September, 2011: nil). The bank borrowings at the end of the current interim period carry interest at fixed rates ranging from 1.95% to 2.21% per annum and are repayable within one year. The proceeds are used to finance the acquisition of property, plant and equipment for the manufacturing operation.

16. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.20 each		
Issued and fully paid		
At 31st March, 2012 and 30th September, 2012	1,011,155,171	202,231

17. CAPITAL COMMITMENTS

	30.9.2012 HK\$'000	31.3.2012 HK\$'000
Expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
– acquisition of property, plant and equipment	10,853	11,838
– additional capital injection in an associate (Note)	–	49,300
	10,853	61,138

Note: The Group had agreed to contribute RMB40,000,000 (equivalent to HK\$49,300,000 to the registered capital of Kunshan Visionox Display Company Limited ("Kunshan Visionox"). At 31st March, 2012, the Group had not made such contribution to Kunshan Visionox. The Group 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. During the current interim period, the relevant government authority has formally approved the Capital Reduction. Accordingly, at the end of the current interim period, the Group does not have the capital commitments on additional capital injection in an associate.

18. PLEDGE OF ASSETS

At 30th September, 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\$5.7 million (31st March, 2012: HK\$11 million) at the end of the current interim period. As at 30th September, 2012, the Group has available unutilised securities trading facility of approximately HK\$19.1 million (31st March, 2012: HK\$18.8 million).

19. RELATED PARTY TRANSACTIONS

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

	Nature of transactions	Six months ended	
		30.9.2012	30.9.2011
		HK\$'000	HK\$'000
An associate	Accountancy service income	180	180

Compensation of key management personnel

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

	Six months ended	
	30.9.2012	30.9.2011
	HK\$'000	HK\$'000
Short-term benefits	3,632	2,132
Post-employment benefits	127	52
	3,759	2,184