2018/19
INTERIM REPORT

YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

CHAIRMAN'S STATEMENT

Dear Shareholders,

I take pleasure in presenting to our shareholders the results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th September 2018.

As the trade disputes between the United States and the People's Republic of China ("PRC") intensify, the trading economic environment becomes increasingly challenging. Nevertheless, the Group recorded an increase in the profit attributable to owners of the Company from HK$76 million to HK$87 million, up by 14% despite a slight drop in consolidated turnover by 1% to HK$511 million for the period under review. Both the core business of display and the share of results from associates delivered an uplift of profit as compared with the corresponding period of last year.

In the current financial period, under the backdrop of intensive price competition in the display industry and rising wage level in Mainland China, the Group managed to maintain the profitability by tightening cost control through material cost savings and production automation. On the other hand, the Group will continue to optimize the customer portfolio with more high-end products and brand-named customers.

The Group's share of profit of Nantong Jianghai Capacitor Company Limited ("Nantong Jianghai"), a 31.84% owned associate, increased by HK$12 million to HK$55 million. The aluminium electrolytic capacitors business demonstrated a solid growth in the first half year, which was driven by a strong demand. With the well-established strong technical base, Nantong Jianghai has possessed the capability to produce and market thin-film and super capacitors. In anticipation of the new plant in Hubei province to complete in the near future, Nantong Jianghai aims at tapping into the new market segment of small-sized capacitors and multi-layers conductive polymer aluminum solid capacitors. This will further broaden Nantong Jianghai's product range and strengthen its leading position in the capacitor market in PRC.

The share of profit from Kunshan Visionox Display Co. Ltd. ("Kunshan Visionox Display", a 43.87% owned associate) and Kunshan Visionox Technology Co. Ltd. ("Kunshan Visionox Technology", a 35.1% owned associate) was approximately HK$8 million, which was reduced by HK$4 million as compared with last year. The reduction was largely due to the gain on disposal of fixed asset by Kunshan Visionox Display recorded in last year. With its leading edge in Organic Light-emitting Diodes ("OLED") technology, Kunshan Visionox Technology is commanding a strong position in the OLED market in PRC. It is expected that the overall market conditions of OLED will continue to be favourable as more and more electronic devices adopt the application of OLED.

In August 2018, the Group entered into agreements with Kunshan Govisionox Optoelectronics Co. Ltd., the largest shareholder of Kunshan Visionox Display, to dispose of its entire interest in Kunshan Visionox Display for a consideration of RMB220 million. Upon completion, it is expected a one-off gain before taxation of approximately HK$250 million will be recorded.

Looking forward, the Group holds a conservative perspective in the midst of the development of the trade war between the United States and PRC. Nevertheless, the Group is confident that it has the ability to mitigate the situation by our commitment to adopt the diversification strategy in marketing both in terms of geographic location and product application. The Group will continue to step up its production automation to enhance the production yield and labour efficiency which is expected to uplift the profitability.

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, 27th November, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations

The Group recorded a consolidated turnover for the 6 months ended 30th September, 2018 of approximately HK$511 million (2017: HK$515 million), a slight drop of HK$4 million or 1% as compared with the same period of last year. Profit attributable to owners of the Company was HK$87 million (2017: HK$76 million), representing an increase of approximately HK$11 million or 14%. The improvement in profitability of the core business and the increase in share of results of associates attributed to the uplift of the net profit for the period under review.

External sales of the Liquid Crystal Displays ("LCD") decreased by HK$11 million, from HK$154 million to HK$143 million. The fall in external LCD sales reflected the growing trend of customers' purchasing pattern switching from sole LCD to Liquid Crystal Display Modules ("LCM") by our customers in recent years. The LCD segment recorded a segment profit of HK$10 million which showed an increase of HK$1 million as compared with last year. The increase in LCD segment profit was mainly led by the increase in internal sales to LCM segment. External sales of LCM increased by HK$2 million, from HK$324 million to HK$326 million, and the LCM segment recorded a segment profit of HK$30 million as compared with HK$29 million of last year. The increase in segment profit of LCM was mainly due to the enhancement in cost control. The LCD-related products segment was related to Capacitive Touch Panel ("CTP"), which recorded a segment profit of HK$245,000 (2017: loss HK$295,000). External CTP sales edged up from HK$36 million to HK$41 million or an increase of 14% which was a result of our committed efforts to gain market shares in the CTP modules market.

The gross profit in current period recorded at approximately HK$83 million (2017: HK$82 million) whereas the gross profit margin remained at 16%. While the wage level in PRC continued to rise, the impact was offset by the improvement in production yield and efficiency via our production automation program.

During the period, other income amounted to approximately HK$6 million (2017: HK$5 million). The other income mainly comprised tooling income and scrap sales.

Selling and distribution expenses amounted to approximately HK$38 million (2017: HK$36 million) and maintained at 7% of turnover (2017: 7%). The increase in the absolute amount was mainly due to the increase in promotional expenses and staff related expense.

Administrative expenses amounted to HK$14 million (2017: HK$15 million) and maintained at about 3% of sales (2017: 3%). The decrease was mainly due to the decrease in staff-related costs.

Share of results of associates for the period amounted to HK$64 million (2017: HK$56 million). An analysis of the operations of the Group's associates is shown underneath. As a result of the depreciation of Renminbi in the period under review, the Group incurred a loss of HK$135 million in translating its investment in associates to Hong Kong Dollars. The amount was recorded directly in the Group's reserve as an other comprehensive expense and has no impact on the profit attributable to owners of the Company for the period.

Effective tax rate in relation to the Group's core business (income tax expenses (excluding deferred tax recognised for the share of undistributed profits in associates) as a percentage of profit before income tax (excluding share of results of associates)) was 20% (2017: 18%).

Investments in Associates

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

Nantong Jianghai, a 31.84% associate of the Group, is mainly engaged in the manufacture and sales of aluminum electrolytic, thin film and super capacitors, and the production and sales of aluminum formed foil for high-performance aluminum electrolytic capacitors.

The share of profit from Nantong Jianghai for the period under review increased from HK$43 million to HK$55 million, representing an increase of HK$12 million or 28%. Riding on the strong demand of aluminium electrolytic capacitors, the sales recorded a remarkable growth and led to an uplift of net profit in the period under review. The thin film capacitors business is making positive progress. The product development of super capacitor is well underway and new production plant is under construction. It is expected that, upon completion of the new plant in 2019, Nantong Jianghai is set for the mass production of super capacitors.

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

The share of profit in Kunshan Visionox Display (a 43.87% associate of the Group) and Kunshan Visionox Technology (a 35.1% associate of the Group) amounted to HK$8 million (2017: HK$12 million). As organic light-emitting diode display ("OLED") has become a widely used components in electronic devices, the OLED business in Kunshan Visionox Technology is growing steadily. The reduction in profit was mainly due to the gain on disposal of fixed asset recorded in last year. With the profound technological background and extensive manufacturing experiences in OLED, Kunshan Visionox Technology has successfully penetrated into a wide range of high-end market segments like the wearables, white goods, automation control and medical care.

In recent years, Kunshan Visionox Display has transferred its business in the development, manufacturing and selling of OLED products to Kunshan Visionox Technology. Kunshan Visionox Display and its subsidiary, currently, possess a number of knowhow, patents and trademarks.

On 10 August 2018, Faith Crown International Limited and Crown Capital Holdings Limited (both subsidiaries of the Company) respectively entered into agreement with Kunshan Govisionox Optoelectronics Co., Ltd (the largest shareholder of Kunshan Visionox Display) to sell an aggregate of 43.87% equity interest in Kunshan Visionox Display (representing the Group's entire equity interest therein) for a consideration of approximately RMB220 million. It is expected that, upon completion of the aforesaid agreements, the Group will record a gain on disposal before taxation of approximately HK$250 million and Kunshan Visionox Display will cease to be an associate of the Group.

Investment in Zaozhuang Visionox Electronic Technology Company Ltd (Zaozhuang Visionox)

Zaozhuang Visionox, a 40% associate of the Group, is situated in the Shandong Province. It is mainly engaged in the manufacture and sales of flexible printed circuits and OLED related materials. The Group's share of profit in the current period amounted to HK$1.6 million, an increase of HK$1 million from last year.

PROSPECTS

The prevailing trade war between USA and China has cast uncertainties in the market outlook and global economy. The Group's committed marketing strategy to well diversify in different geographic and also market segments will help to mitigate the impact to the Group. The Group will continue to focus on improving its profitability by targeting at the high end market segments. On the production side, the Group will continue to upgrade its production facilities and scale up production automation in order to enhance both the production yield and efficiency. On the other hand, it is expected that Nantong Jianghai and Kunshan Visionox Technology will continue to make positive profit contribution to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th September, 2018, the Group's current ratio was 1.2 (31st March, 2018: 1.3). The gearing ratio, as a ratio of bank borrowings to net worth, was 2.4% (31st March, 2018: 3.2%).

As at 30th September, 2018, the Group had total assets of approximately HK$2,241 million, which were financed by liabilities of HK$513 million and total equity of HK$1,728 million.

As at 30th September, 2018, the Group's banking facilities amounted to approximately HK$163 million (31st March, 2018: HK$222 million) of which approximately HK$42 million (31st March, 2018: HK$59 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.

LEGAL CASES

As reported previously, Jiangmen Yeebo Semiconductor Co., Ltd. (江門億都半導體有限公司) ("Jiangmen Yeebo Semiconductor"), a wholly-owned subsidiary of the Company incorporated in the PRC, was involved in two litigation cases in the court of Jiangmen City, Guangdong Province, PRC as follows:

(1) Being sued by a contractor for outstanding contract sum of RMB274,000 and accrued interest of RMB169,000 (totaling RMB443,000 equivalent to HK$520,000) plus incidental legal and court fees.

(2) Being sued by another contractor for outstanding contract sum of RMB1.5 million (equivalent to HK$1.8 million) and accrued interest plus incidental legal and court fees.

During the period under review, Jiangmen Yeebo Semiconductor lost in the trial in both of the above court cases. However, the financial impact was not significant to the result and financial position of the Group.

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

As at 30th September, 2018, bank deposit of HK$19 million (31st March, 2018: HK$21 million) has been pledged to secure the banking facilities granted to a PRC entity, which is owned by certain management personnel of Kunshan Visionox Technology. The banking facilities have a term of three years starting from March 2016. The pledged bank deposit will be released upon the full settlement of the relevant bank borrowings.

Other than the above, the Group did not have any significant contingent liabilities and there were no significant charges or pledges on any of the Group's assets as at 30th September, 2018 and 31st March, 2018.

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.

The Company has 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.

DIVIDEND

The Directors have resolved not to recommend the payment of an interim dividend for the six months ended 30th September, 2018.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 30th September, 2018, 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

	Personal interests	Number of shares and nature of interests through controlled corporations	Total	Percentage of Company's issued capital
Mr Fang Hung, Kenneth	20,130,000	–	20,130,000	2.01%
Mr Li Kwok Wai, Frankie *(Note (i))*	70,834,381	570,000,000	640,834,381	64.11%
Mr Leung Tze Kuen *(Note (ii))*	1,240,000	–	1,240,000	0.12%

Notes:

(i) Antrix Investment Limited owns 570,000,000 shares of the Company. Mr Li Kwok Wai, Frankie beneficially owns 41.70% of the issued share capital of Antrix Investment Limited.

(ii) The 1,240,000 shares represent shares granted under the share award scheme of the Company and are subject to the satisfactory fulfilment of vesting conditions.

Save as disclosed above, as at 30th September, 2018, 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, 2018, 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)*	Directly beneficially owned	570,000,000	57.02%
Esca Investment Limited *(Note)*	Indirectly beneficially owned	570,000,000	57.02%
Megastar Venture Limited *(Note)*	Indirectly beneficially owned	570,000,000	57.02%
Fang Brothers Holdings Limited *(Note)*	Indirectly beneficially owned	570,000,000	57.02%

Note: Antrix Investment Limited is held as to 58.30% by Esca Investment Limited (a company wholly-owned by Fang Brothers Holdings Limited in which none of its shareholders holds more than 20% of its issued share capital) and 41.70% by Megastar Venture Limited (a company wholly-owned by Mr Li Kwok Wai, Frankie). The shares held by Esca Investment Limited, Megastar Venture Limited and Fang Brothers Holdings Limited represent the same interest held by Antrix Investment Limited, which have also been disclosed as an interest of Mr Li Kwok Wai, Frankie under the section "Interests of Directors' and Chief Executive in Securities".

Save as disclosed above, as at 30th September, 2018, the Company was not notified by any persons who had interests or short positions of 5% or more in the shares and underlying shares of the Company which is required to be recorded under Section 336 of the SFO.

CORPORATE GOVERNANCE

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

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

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

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the six months ended 30th September, 2018.

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, 2018.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive Directors, namely Mr Tien Pei Chun, James, Mr Chu Chi Wai, Allan and Mr Lau Yuen Sun, Adrian; as well as Mr Fang Yan Tak, Douglas, non-executive Director. 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, 2018.

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 (collectively referred to as the "Group") set out on pages 11 to 34, which comprise the condensed consolidated statement of financial position as of 30th September, 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The 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
27th November 2018

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2018

	NOTES	Six months ended 30.9.2018 HK$'000 (unaudited)	30.9.2017 HK$'000 (unaudited)
Revenue	3	**510,717**	514,722
Cost of sales		**(427,554)**	(432,973)
Gross profit		**83,163**	81,749
Other income		**5,985**	5,114
Interest income		**443**	67
Other gains and losses	4	**2,144**	214
Selling and distribution expenses		**(38,039)**	(36,467)
Administrative expenses		**(13,702)**	(14,715)
Finance costs		**(642)**	(697)
Share of results of associates		**63,856**	55,593
Profit before income tax		**103,208**	90,858
Income tax expense	6	**(11,568)**	(9,672)
Profit for the period	7	**91,640**	81,186
Other comprehensive (expense) income:			
Item that will not be reclassified to profit or loss:			
Share of other comprehensive expense of associates		**(3,605)**	–
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations:			
Subsidiaries		**5,252**	(2,267)
Associates		**(135,484)**	56,093
Total comprehensive (expense) income for the period		**(42,197)**	135,012
Profit for the period attributable to:			
Owners of the Company		**86,910**	76,239
Non-controlling interests		**4,730**	4,947
		91,640	81,186
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(43,692)**	128,767
Non-controlling interests		**1,495**	6,245
		(42,197)	135,012
Earnings per share			
Basic – HK cents	9	**8.7**	7.6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH SEPTEMBER, 2018

	NOTES	30.9.2018 HK$'000 (unaudited)	31.3.2018 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	10	**250,445**	260,711
Investment properties		**960**	1,010
Prepayment for acquisition of plant and equipment		**7,985**	3,380
Interests in associates	5	**1,403,058**	1,504,227
Available-for-sale investments		**–**	2,739
Equity instruments, at fair value through profit or loss		**2,739**	–
Intangible assets		**1,459**	1,459
Pledged bank deposit		**18,950**	20,814
		1,685,596	1,794,340
Current assets			
Inventories		**185,285**	170,918
Trade and other receivables	11	**266,272**	249,394
Bills receivables	11	**40,093**	47,294
Amounts due from associates		**188**	90
Held for trading investments		**–**	111
Financial assets at fair value through profit or loss		**124**	–
Bank balances and cash		**63,125**	41,261
		555,087	509,068
Current liabilities			
Trade and other payables	12	**333,362**	332,393
Dividend payable		**51,202**	–
Bank borrowings		**40,758**	57,008
Tax payable		**21,465**	15,541
		446,787	404,942
Net current assets		**108,300**	104,126
Total assets less current liabilities		**1,793,896**	1,898,466

	NOTES	30.9.2018 HK$'000 (unaudited)	31.3.2018 HK$'000 (audited)
Non-current liability			
Deferred tax liabilities		**65,550**	69,779
		1,728,346	1,828,687
Capital and reserves			
Share capital	13	**199,928**	199,928
Reserves		**1,497,171**	1,594,620
Equity attributable to owners of the Company		**1,697,099**	1,794,548
Non-controlling interests		**31,247**	34,139
Total equity		**1,728,346**	1,828,687

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2018

	Attributable to owners of the Company											
	Shares capital	Share premium	Capital reserve *(Note 1)*	Capital redemption reserve	Translation reserve	Share award reserve	Share held for award scheme	Other reserve *(Note 2)*	Retained profits	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2017 (audited)	199,928	110,750	2,125	10,132	(11,657)	4,679	(18,948)	–	1,280,261	1,577,270	26,903	1,604,173
Profit for the period	–	–	–	–	–	–	–	–	76,239	76,239	4,947	81,186
Other comprehensive income for the period												
Exchange differences arising on translation of foreign operations	–	–	–	–	52,528	–	–	–	–	52,528	1,298	53,826
Total comprehensive income for the period	–	–	–	–	52,528	–	–	–	76,239	128,767	6,245	135,012
Shares purchased for share award scheme	–	–	–	–	–	–	(4,680)	–	–	(4,680)	–	(4,680)
Recognition of equity-settled share-based payment expenses under share award scheme	–	–	–	–	–	2,161	–	–	–	2,161	–	2,161
Shares vested under share award scheme	–	–	–	–	–	(1,900)	1,900	–	–	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(1,588)	(1,588)
Dividend – declared (Note 8)	–	–	–	–	–	–	–	–	(59,978)	(59,978)	–	(59,978)
At 30th September, 2017 (unaudited)	199,928	110,750	2,125	10,132	40,871	4,940	(21,728)	–	1,296,522	1,643,540	31,560	1,675,100
At 1st April, 2018 (audited)	199,928	110,750	2,125	10,132	127,270	6,655	(15,441)	4,702	1,348,427	1,794,548	34,139	1,828,687
Profit for the period	–	–	–	–	–	–	–	–	86,910	86,910	4,730	91,640
Other comprehensive expense for the period												
Share of other comprehensive expense of an associate	–	–	–	–	–	–	–	(3,605)	–	(3,605)	–	(3,605)
Exchange differences arising on translation of foreign operations	–	–	–	–	(126,997)	–	–	–	–	(126,997)	(3,235)	(130,232)
Total comprehensive income (expense) for the period	–	–	–	–	(126,997)	–	–	(3,605)	86,910	(43,692)	1,495	(42,197)

	Attributable to owners of the Company											
	Shares capital	Share premium	Capital reserve *(Note 1)*	Capital redemption reserve	Translation reserve	Share award reserve	Share held for award scheme	Other reserve *(Note 2)*	Retained profits	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Shares purchased for share award scheme	–	–	–	–	–	–	(4,680)	–	–	(4,680)	–	(4,680)
Recognition of equity-settled share-based payment expenses under share award scheme	–	–	–	–	–	905	–	–	–	905	–	905
Shares vested under share award scheme	–	–	–	–	–	(151)	448	–	(297)	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(4,387)	(4,387)
Dividend – declared (Note 8)	–	–	–	–	–	–	–	–	(49,982)	(49,982)	–	(49,982)
At 30th September, 2018 (unaudited)	199,928	110,750	2,125	10,132	273	7,409	(19,673)	1,097	1,385,058	1,697,099	31,247	1,728,346

Note 1: The capital reserve balance of the Group represents the difference between the aggregate nominal value of the share capital of acquired subsidiaries and the aggregate nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1993, and after the reclassification of the amounts related to the share premium arising from issue of shares of a subsidiary prior to the group reorganisation to capital reserve and after reserve movements at the time of the capital reduction in previous years.

Note 2: The other reserve of the Group represented the share of fair value change on equity instruments at fair value through other comprehensive income from an associate.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2018

	Six months ended	
	30.9.2018	30.9.2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash from operating activities	**42,763**	746
Investing activities		
Capital contribution to an associate	**–**	(18,038)
Purchase of property, plant and equipment	**(13,484)**	(4,409)
Prepayment for acquisition of property, plant and equipment	**(7,985)**	(941)
Dividend received from the associates, net of withholding tax	**24,460**	32,392
Withdrawal of pledged bank deposit	**1,864**	5,608
Dividend received from available-for-sale investments	**–**	104
Dividend received from equity instruments, at fair value through profit or loss	**1**	–
Interest income received	**443**	67
Proceeds from disposals of property, plant and equipment	**585**	66
Net cash from investing activities	**5,884**	14,849
Financing activities		
Repayment of bank borrowings	**(75,917)**	(120,433)
Payment for purchase of shares for share award scheme	**(4,680)**	(4,680)
Dividends paid to non-controlling interests	**(3,167)**	(1,588)
Interest paid	**(642)**	(697)
Bank borrowings raised	**59,667**	103,796
Net cash used in financing activities	**(24,739)**	(23,602)
Net increase (decrease) in cash and cash equivalents	**23,908**	(8,007)
Effect of change in exchange rates	**(2,044)**	1,241
Cash and cash equivalents at beginning of the period	**41,261**	36,425
Cash and cash equivalents at end of the period, represented by	**63,125**	29,659
Bank balances and cash	**63,125**	38,016
Bank overdrafts	**–**	(8,357)
	63,125	29,659

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2018

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 value, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments and interpretation to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th September, 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31st March, 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs and an interpretation issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1st January, 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments and interpretation to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from manufacture and sales of various types of LCD related products.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1st April, 2018. Any difference at date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1st April, 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers" *(continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.1 Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers" *(continued)*

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15 (continued)

Incremental costs of obtaining a contract

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Group recognises such cost (sales commissions in relation to the sales of goods), as an asset if it expects to recover these costs. The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

The Group applies the practical expedient of expensing all incremental costs to obtain a contract if these costs would otherwise have been fully amortised to profit or loss within one year.

2.1.2 Summary of effects arising from initial application of HKFRS 15

The Group's revenue represents income from the manufacture and sales of LCDs, LCMs and LCD-related products and are recognised at a point in time. Under the transfer-of-control approach in HKFRS 15, revenue from sales of products is recognised when the products are delivered and titled are passed to customers, which is the point of time when the control of products is transferred to the customer and the customer has the ability to direct the use of the products.

On the whole, the application of HKFRS 15 has no material impact on the opening retained profits or for the period ended 30th September, 2018.

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments"

In the current period, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1st April, 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1st April, 2018. The difference between carrying amounts as at 31st March, 2018 and the carrying amounts as at 1st April, 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under HKAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 *(continued)*

Classification and measurement of financial assets *(continued)*

Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with HKFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1st April, 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in Note 2.2.2.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables and other receivables, amounts due from associates, pledged bank deposit and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually and collectively with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment under ECL model *(continued)*

Significant increase in credit risk (continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" *(continued)*

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9 (continued)

Impairment under ECL model *(continued)*

Measurement and recognition of ECL (continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and other receivable where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amounts of these debt instruments/receivables.

As at 1st April, 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9 and have concluded that no material financial impact exists, and therefore no adjustment to the opening retained profits at 1st April, 2018 has been recognised.

2.2.2 Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1st April 2018.

	Notes	Available-for-sale investments *HK$'000*	Financial assets designated at FVTPL *HK$'000*	Financial assets at FVTPL required by HKAS 39/ HKFRS 9 *HK$'000*	Equity instruments at FVTPL *HK$'000*	Amortised cost (previously classified as loans and receivables) *HK$'000*	Retained earnings *HK$'000*
Closing balance at 31st March, 2018 (as previously reported) – HKAS 39		2,739	111	–	–	47,294	1,348,427
Effect arising from initial application of HKFRS 9:							
Reclassification							
From available-for-sale investments	*(a)*	(2,739)	–	–	2,739	–	–
From financial assets designated as at FVTPL	*(b)*	–	(111)	111	–	–	–
From loans and receivables	*(c)*	–	–	47,294	–	(47,294)	–
Opening balance at 1st April, 2018 – HKFRS 9		–	–	47,405	2,739	–	1,348,427

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

2.2 Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments" *(continued)*

2.2.2 *Summary of effects arising from initial application of HKFRS 9* (continued)

(a) Available-for-sale investments

From AFS equity investments to FVTPL

At the date of initial application of HKFRS 9, the Group's equity investments of HK$2,739,000 were reclassified from available-for-sale investments to financial assets at FVTPL.

The directors of the Company consider that the carrying amounts of unlisted equity investments previously stated as at 31st March 2018 are approximate to their fair value.

(b) Financial assets at FVTPL and/or designated at FVTPL

At the date of initial application, the equity securities held for trading are required to be classified as FVTPL under HKFRS 9. There was no impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

(c) Loans and receivables

As part of the Group's cash flow management, the Group has the practice of endorsing substantial part of the bills received from debtors to settle payment to suppliers before the bills are due for payment and derecognises endorsed bills receivables on the basis that the Group has transferred substantially all risks and rewards to the relevant counterparties. Accordingly, the Group's bills receivable of HK$47,294,000 were considered as not hold to collect or hold to collect and sell business model, and reclassified to financial assets at FVTPL.

3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker ("CODM"), being 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 display modules ("LCMs"), LCD-related optical products and LCD-related products.

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

3. SEGMENT INFORMATION *(continued)*

Information about the Group's revenue from external customers by geographical location are detailed below:

	Six months ended 30.9.2018 HK$'000	30.9.2017 HK$'000
Hong Kong	**45,793**	42,145
Other regions in the PRC	**90,796**	130,176
Japan	**86,345**	78,882
United States	**60,341**	43,974
Taiwan	**21,793**	23,988
Germany	**43,514**	48,929
Spain	**27,687**	25,683
Other European countries	**96,249**	87,803
Other Asian countries	**27,613**	24,820
Other countries	**10,586**	8,322
	510,717	514,722

The Group recognises revenue at a point in time. All sales are at fixed price and short-term in nature. Due to the diversification in customers, the Group has no single customer contributing over 10% of the total revenue of the Group under the periods of review.

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

Six months ended 30th September, 2018

	LCDs HK$'000	LCMs HK$'000	LCD-related optical products HK$'000	LCD-related products HK$'000	Segment total HK$'000	Eliminations HK$'000	Consolidated HK$'000
Revenue							
External sales	143,170	326,160	173	41,214	510,717	–	510,717
Inter-segment sales	59,361	21,569	–	–	80,930	(80,930)	–
Total	202,531	347,729	173	41,214	591,647	(80,930)	510,717
Segment profit (loss)	9,698	30,013	(449)	245			39,507
Interest income							443
Unallocated administrative costs							44
Finance costs							(642)
Share of results of associates							63,856
Profit before income tax							103,208

3. SEGMENT INFORMATION *(continued)*

Six months ended 30th September, 2017

	LCDs *HK$'000*	LCMs *HK$'000*	LCD-related optical products *HK$'000*	LCD-related products *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Revenue							
External sales	154,065	324,184	112	36,361	514,722	–	514,722
Inter-segment sales	50,399	–	–	4,170	54,569	(54,569)	–
Total	204,464	324,184	112	40,531	569,291	(54,569)	514,722
Segment profit (loss)	9,113	29,297	(548)	(295)			37,567
Interest income							67
Dividend income							104
Unallocated administrative costs							(1,776)
Finance costs							(697)
Share of results of associates							55,593
Profit before income tax							90,858

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, 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	
	30.9.2018	30.9.2017
	HK$'000	*HK$'000*
Gain (loss) on disposal of property, plant and equipment	**150**	(25)
Net exchange gain	**1,994**	239
	2,144	214

5. INTERESTS IN ASSOCIATES

	30.9.2018	31.3.2018
	HK$'000	*HK$'000*
Share of net assets		
Listed associate	**1,168,348**	1,256,148
Unlisted associates	**234,710**	248,079
	1,403,058	1,504,227
Fair value of listed associate	**1,669,461**	2,520,957

6. INCOME TAX EXPENSE

	Six months ended	
	30.9.2018	30.9.2017
	HK$'000	*HK$'000*
The tax charge comprises:		
Current tax		
Hong Kong	**2,961**	3,747
Other jurisdictions	**6,314**	4,884
	9,275	8,631
Deferred taxation		
Current period	**2,293**	1,041
	11,568	9,672

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 jurisdictions.

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

6. INCOME TAX EXPENSE *(continued)*

Pursuant to the relevant law and regulations in the PRC, one of the Company's PRC subsidiaries was applied as a HiTech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2018 to 2020 and accordingly, PRC Enterprise Income Tax is provided at 15% for the period ended 30th September, 2018.

Under the EIT Law, distributable profits earned by foreign investment enterprises since 1st January, 2008 are 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 "Arrangement"), 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 Arrangement, the Group has recognised deferred tax liabilities for the Group's share of distributable profits earned by its PRC associates since 1st January, 2008. No deferred tax liabilities have been recognised in respect of the PRC subsidiaries as the Group is able to control the timing of the reversal of temporary differences of the subsidiaries and it is probable that the temporary differences will not reverse in the foreseeable future.

7. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended	
	30.9.2018	30.9.2017
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**26,691**	23,135
Share of tax of associates (included in share of results of associates)	**12,199**	7,898
Allowances for doubtful debts	**1,418**	2,675
Allowances for obsolete inventories (included in cost of sales)	**8,152**	4,301

8. DIVIDEND

	Six months ended	
	30.9.2018	30.9.2017
	HK$'000	*HK$'000*
Final dividend in respect of the year ended 31st March, 2018 of HK5 cents per share (2017: HK6 cents per share for the year ended 31st March, 2017)	**49,982**	59,978

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended	
	30.9.2018	30.9.2017
Earnings attributable to the owners of the Company for the purpose of basic earnings per share (HK$'000)	**86,910**	76,239
Weighted average number of ordinary shares for the purpose of basic earnings per share	**999,641,171**	999,641,171

No diluted earnings per share has been presented as there was no significant potential ordinary shares outstanding during both periods and as at the end of the reporting period.

10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

The Group spent approximately HK$16,864,000 (six-month period ended 30th September, 2017: HK$7,483,000) on additions to the property, plant and equipment, which are mainly for the production of LCD and LCM products in the manufacturing plants in PRC.

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:

	30.9.2018	31.3.2018
	HK$'000	*HK$'000*
1 – 30 days	**96,567**	76,856
31 – 60 days	**51,805**	38,331
61 – 90 days	**29,059**	32,733
91 – 120 days	**7,798**	8,315
Over 120 days	**13,335**	25,547
	198,564	181,782

As at 30th September, 2018, included in the Group's trade receivables balance are debtors with carrying amount of HK$5,876,000 which has been past due 90 days or more and is not considered as in default as the directors assessed that the balances will be recovered based on their settlement records in the past as well as subsequent to the reporting period. The Group does not hold any collateral over these balances.

All the Group's bills receivables as at 30th September, 2018 and 31st March, 2018 were due within 270 days.

12. TRADE AND OTHER PAYABLES

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

	30.9.2018	31.3.2018
	HK$'000	*HK$'000*
Up to 30 days	**80,920**	73,084
31 – 60 days	**40,101**	19,519
61 – 90 days	**32,516**	29,815
91 – 120 days	**23,861**	26,771
Over 120 days	**17,045**	37,758
	194,443	186,947

All the Group's bills payables amounting to HK$955,000 as at 30th September, 2018 and HK$6,275,000 as at 31st March, 2018 were due within 90 days.

13. SHARE CAPITAL

	Number of shares	**Share capital**
	'000	*HK$'000*
Authorised ordinary shares of HK$0.2 each		
At 1st April, 2017, 31st March, 2018 and 30th September, 2018	2,000,000	400,000
Issued and fully paid		
At 1st April, 2017, 31st March, 2018 and 30th September, 2018	999,641	199,928

14. SHARE AWARD SCHEME

The purpose of the share award scheme is to recognise and motivate the contribution of certain qualifying person and to provide incentives and help the Group in retaining its existing qualifying person and recruiting additional qualifying person for the continual operation and development of the Group and to provide them with a direct economic interest in attaining the long-term business objectives of the Company.

The share award scheme of the Company was adopted by the board of directors on 24th October, 2012. Pursuant to the share award scheme, existing shares will be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected participants until such shares are vested with the relevant selected participants in accordance with the provisions of the scheme.

14. SHARE AWARD SCHEME *(continued)*

The table below discloses movement of the Company's shares held under the scheme by the Group's employees:

	Number of shares
Outstanding as at 1st April, 2018	9,624,000
Forfeited during the period	(285,000)
Vested during the period	(285,000)
Outstanding as at 30th September, 2018	9,054,000

The fair value of the awarded shares on the grant date during the period was determined based on the quoted share price of the Company on that date.

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Some of the Group's financial asset is measured at fair value at the end of the reporting period. The following table gives information about how the fair value of the financial asset is determined.

Financial assets	**Fair value as at**		**Fair value hierarchy**	**Valuation technique(s) and key input(s)**
	30th September, 2018	31st March, 2018		
	HK$'000	*HK$'000*		
Equity instruments at FVTPL	**2,739**	–	Level 3	Long-term revenue growth rate, long-term pre-tax operating margin and discount rate*
Bills receivables	**40,093**	–	Level 3	Discounted cash flows and discount rate#
Financial assets at FVTPL	**124**	–	Level 1	Quoted bid prices in an active market
Held for trading investments	**–**	111	Level 1	Quoted bid prices in an active market

* An increase in the long-term revenue growth rate would result in an increase in the fair value measurement of the equity instruments, and vice versa. An increase in the long-term pre-tax operating margin would result in an increase in the fair value measurement of the equity instruments, and vice versa. The higher the discount rate, the lower the fair value.

\# The higher the discount rate, the lower the fair value.

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)*

Except as detailed in the above table, the fair value of the Group's financial assets and financial liabilities are not measured at fair value on a recurring basis:

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

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

During the current period, there were no transfer between Level 1 and Level 2, or transfer into or out of Level 3.

16. CAPITAL COMMITMENTS

	30.9.2018	31.3.2018
	HK$'000	*HK$'000*
Expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
– acquisition of property, plant and equipment	**28,647**	30,694

17. RELATED PARTY TRANSACTIONS

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

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	
	30.9.2018	30.9.2017
	HK$'000	*HK$'000*
Short-term benefits	**4,740**	5,477
Post-employment benefits	**171**	208
	4,911	5,685

18. EVENT AFTER THE REPORTING PERIOD

On 10th August, 2018, the Group and Kunshan Govisionox Optoelectronics Co., Ltd. entered into sale and purchase agreements under which the Group conditionally agreed to sell and Kunshan Govisionox Optoelectronics Co., Ltd. conditionally to acquire an aggregate of 43.87% equity interest in Kunshan Visionox Display Co. Ltd. It is expected the transaction will be completed and the proceeds will be received before the end of January 2019.