

The directors are pleased to present to the shareholders their annual report and audited financial statements of the Company and of the Group for the financial year ended March 31, 2006.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its principal subsidiaries are engaged in the design, development, manufacture, sales and marketing of various consumer electronic products. Details of the principal activities of the Group's subsidiaries are set out in note 35 to the financial statements.

SEGMENT INFORMATION

Details of segment information are set out in note 7 to the financial statements.

RESULTS

The results of the Group for the year ended March 31, 2006 are set out in the consolidated income statement on page 58 and further analysis is given in the accompanying notes to the financial statements.

DIVIDENDS

No interim dividend for the year ended March 31, 2006 was paid (2005: 3.0 HK cent per share) to the shareholders of the Company.

The directors of the Company have resolved not to recommend the payment of a final dividend to the shareholders of the Company (2005: 5.0 HK cents per share).

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 4.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 28 to the financial statements.

RESERVES

Details of movements in reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 61.

INVESTMENT PROPERTIES

Details of the investment properties of the Group during the year are set out in note 14 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent an aggregate amount of approximately HK\$66.8 million on the acquisition of property, plant and equipment for the purpose of business expansion.

Details of movements in property, plant and equipment of the Group during the year are set out in note 15 to the financial statements.

DONATIONS

During the year, the Group made charitable and other donations of HK\$389,527 (2005: HK\$41,144).

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentage of purchases attributable to the Group's five largest suppliers in the year accounted for less than 32% of the Group's purchases.

The aggregate percentage of turnover attributable to the Group's five largest customers was approximately 13% of the Group's turnover and the percentage of turnover attributable to the Group's largest customer was approximately 3% of the Group's turnover for the year.

None of the directors, their associates or shareholders, who to the knowledge of the directors own more than 5% of the Company's share capital, had any interest in any of the five largest customers.

DIRECTORS

The directors of the Company who held office during the year and up to the date of this report are:

Executive:

Raymond Chan, JP, *Chairman & Chief Executive Officer*

Chan Pau Shiu Yeng, Shirley

Alain Jacques Gilbert Li, *Chief Financial Officer*

(resigned on November 11, 2005)

Giuseppe Finocchiaro

(removed on October 7, 2005)

Non-Executive:

Lo Kai Yiu, Anthony*

Kao Ying Lun*

Jack Schmuckli*

Kenichi Ohmae*

Woo Chia Wei

Yoram (Jerry) Wind*

Jack William Edouard Heuer

(retired on August 26, 2005)

* Independent Non-Executive Director

DIRECTORS (continued)

In accordance with Bye-law 97 of the Company's Bye-laws, at each annual general meeting one-third of the directors for the time being, or the number nearest to but not less than one-third, shall retire from office by rotation. The retiring directors shall be eligible for re-election. At the forthcoming annual general meeting of the Company, Mr. Kao Ying Lun, Mr. Jack Schmuckli (who have been longest in office) and Mrs. Chan Pau Shiu Yeng, Shirley (who is among the second longest in office chosen by lot) will retire as directors by rotation in accordance with Bye-law 97 of the Bye-laws of the Company. The retiring directors, all being eligible, offer themselves for re-election.

The Company has received annual confirmation of independence from each of the independent non-executive directors pursuant to rule 3.13 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Up to and as at the date of this report, the Company still considers the independent non-executive directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the non-executive directors has entered into a service contract with the Company for a term of three years, commencing from November 10, 2004 in the cases of Mr. Lo Kai Yiu, Anthony, Mr. Kao Ying Lun, Mr. Jack Schmuckli, Dr. Kenichi Ohmae and Professor Woo Chia Wei and commencing from March 21, 2005 in the case of Professor Yoram (Jerry) Wind, which can be terminated by either party giving the other a three month's written notice. Under such service contract each of the non-executive directors is subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's Bye-laws, and is entitled to a fee of HK\$200,000 per annum subject to such adjustments as the Board of the Company considers appropriate and the approval of the shareholders at respective annual general meetings of the Company.

Save as disclosed above, none of the director offering for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Group within one year without payment of compensation, other than normal statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

There were no contracts of significance (as defined in Appendix 16 of the Listing Rules) to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SECURITIES

As at March 31, 2006, the interests and short positions of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under the provisions of the SFO) or which were recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

DIRECTORS' INTERESTS IN SECURITIES (continued)

Name	No. of shares held			Total	% of the issued capital	Number of underlying shares held under equity derivatives (note 3)
	Personal interests	Family interests	Corporate interests			
Raymond Chan	73,940,919	244,956,920 (note 1)	842,275,225 (note 2)	1,161,173,064	55.69%	3,000,000
Chan Pau Shiu Yeng, Shirley	73,964,526	916,216,144 (note 1)	170,992,394 (note 2)	1,161,173,064	55.69%	2,000,000
Lo Kai Yiu, Anthony	1,424,439	–	–	1,424,439	0.07%	1,000,000
Kao Ying Lun	–	–	–	–	–	1,000,000
Jack Schmuckli	1,666,000	–	–	1,666,000	0.08%	1,000,000
Kenichi Ohmae	–	–	–	–	–	1,000,000
Woo Chia Wei	–	–	–	–	–	1,000,000
Yoram (Jerry) Wind	–	–	–	–	–	1,000,000

All interests disclosed above represent long positions in the shares/underlying shares of the Company.

Notes:

- (1) Mrs. Chan Pau Shiu Yeng, Shirley is the spouse of Dr. Raymond Chan. The personal and corporate interests of Mrs. Chan Pau Shiu Yeng, Shirley are disclosed as the family interests of Dr. Raymond Chan. The personal and corporate interests of Dr. Raymond Chan are disclosed as the family interests of Mrs. Chan Pau Shiu Yeng, Shirley.
- (2) 842,275,225 ordinary shares are held by Integrated Display Technology Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Dr. Raymond Chan. 170,992,394 ordinary shares are held by Raymax Time Company Limited, a company incorporated in the British Virgin Islands, which is wholly owned by Mrs. Chan Pau Shiu Yeng, Shirley.
- (3) These represent the interests in underlying shares in respect of the share options granted by the Company, the details of which are set out in the sub-section entitled "Share Option Schemes" below.

Save as disclosed above, none of the directors or the chief executives of the Company or any of their associates had, as at March 31, 2006, any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under the provisions of the SFO) or which were recorded in the register required to be kept by the Company under 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 March 31, 2006, the following persons (other than the directors or the chief executives of the Company), had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company were as follows:

Name	No. of shares held	% of the issued share capital
Integrated Display Technology Limited (note 1)	842,275,225	40.39%
Raymax Time Company Limited (note 2)	170,992,394	8.20%

All interests disclosed above represent long positions in the shares of the Company.

Notes:

- (1) Integrated Display Technology Limited, a company incorporated in the British Virgin Islands, is wholly owned by Dr. Raymond Chan. Such corporate interests are also disclosed in the sub-section entitled "Directors' Interests in Securities" above.
- (2) Raymax Time Company Limited, a company incorporated in the British Virgin Islands, is wholly owned by Mrs. Chan Pau Shiu Yeng, Shirley. Such corporate interests are also disclosed in the sub-section entitled "Directors' Interests in Securities" above.

Save as disclosed above, the Company had not been notified by any person (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company as at March 31, 2006 which were required to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEMES

Details of each of the share option scheme adopted on September 28, 1993, share option scheme adopted on August 28, 2002 ("2002 IDT International Option Scheme") and share option scheme ("IDTS Option Scheme") operated by IDT Holdings (Singapore) Limited, the subsidiary of the Company, are set out in note 29 to the financial statements.

The movements of options under the 2002 IDT International Option Scheme and IDTS Option Scheme held by the directors during the financial year ended March 31, 2006 were as follows:

SHARE OPTION SCHEMES (continued)

(1) 2002 IDT International Option Scheme

Directors	Date of grant (M/D/Y)	Period during which options are exercisable (M/D/Y)	Outstanding at 4.1.2005	Number of options			Lapsed/cancelled during the year	Outstanding at 3.31.2006
				Granted during the year	Exercised during the year	Exercise price per share		
Alain Jacques Gilbert Li (note 1)	3.17.2003	3.18.2005 to 3.16.2013	500,000	-	-	HK\$0.780	500,000	-
	3.17.2003	3.18.2007 to 3.16.2013	500,000	-	-	HK\$0.780	500,000	-
Giuseppe Finocchiaro (note 2)	2.28.2003	3.1.2005 to 2.27.2013	500,000	-	-	HK\$0.798	500,000	-
	2.28.2003	3.1.2007 to 2.27.2013	500,000	-	-	HK\$0.798	500,000	-
	6.25.2004	6.26.2005 to 6.25.2014	170,000	-	-	HK\$1.810	170,000	-
Raymond Chan	11.30.2005	12.01.2006 to 11.30.2015	-	3,000,000	-	HK\$0.550	-	3,000,000
Chan Pau Shiu Yeng, Shirley	11.30.2005	12.01.2006 to 11.30.2015	-	2,000,000	-	HK\$0.550	-	2,000,000
Lo Kai Yiu, Anthony	11.30.2005	12.01.2006 to 11.30.2015	-	1,000,000	-	HK\$0.550	-	1,000,000
Kao Ying Lun	11.30.2005	12.01.2006 to 11.30.2015	-	1,000,000	-	HK\$0.550	-	1,000,000
Jack Schmuckli	11.30.2005	12.01.2006 to 11.30.2015	-	1,000,000	-	HK\$0.550	-	1,000,000
Kenichi Ohmae	11.30.2005	12.01.2006 to 11.30.2015	-	1,000,000	-	HK\$0.550	-	1,000,000
Woo Chia Wei	11.30.2005	12.01.2006 to 11.30.2015	-	1,000,000	-	HK\$0.550	-	1,000,000
Yoram (Jerry) Wind	11.30.2005	12.01.2006 to 11.30.2015	-	1,000,000	-	HK\$0.550	-	1,000,000

(2) IDTS Option Scheme

Directors	Date of grant (M/D/Y)	Period during which options are exercisable (M/D/Y)	Outstanding at 4.1.2005	Number of options			Outstanding at 3.31.2006
				Exercised during the year	Exercise price per share	Lapsed/cancelled during the year	
Giuseppe Finocchiaro (note 2)	8.14.2000	8.15.2002 to 8.13.2005	100,000	-	S\$2.149	100,000	-
	8.14.2000	8.15.2004 to 8.13.2005	100,000	-	S\$2.149	100,000	-

Notes:

- (1) Resigned on November 11, 2005.
- (2) Removed on October 7, 2005.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Details of share options granted to or exercised by the directors of the Company during the year and their outstanding balances at March 31, 2006 are set out in the sub-section entitled "Share Option Schemes" above and also in note 29 to the financial statements.

Save as disclosed, at no time during the year was the Company, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Save for the share options set out in the sub-section entitled "Share Option Schemes" above and also in note 29 to the financial statements, the Company had no outstanding convertible securities, options, warrants or similar rights at March 31, 2006.

Other than the issue and exercise of share options pursuant to the share option schemes of the Company as disclosed above, there was no issue or exercise of any convertible securities, options, warrants or similar rights of the Company during the year.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement schemes are set out in note 34 to the financial statements.

REMUNERATION POLICY

Details of the Group's remuneration policy are set out in the section of "Operations Review" from page 10 to page 22 of this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by officers of the Group (the "Code") on terms no less exacting than the Model Code contained in Appendix 10 of the Listing Rules. Having made specific enquiry of all directors, they have confirmed that they full complied with the required standards set out in both the Model Code and the Code throughout the year period ended March 31, 2006.

CORPORATE GOVERNANCE

The Company has applied the principles and complied with the requirements set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Listing Rules of the Stock Exchange, except for the deviation from CG Code provision A.2.1 in respect of the separation of roles of the chairman and chief executive officer throughout the year ended March 31, 2006. The Group's compliance with the provisions and recommended best practices of the CG Code together with the considered reasons for any deviations are set out in the Corporate Governance Report from page 42 to page 56 of this annual report.

AUDIT COMMITTEE

The audit committee, comprising three independent non-executive directors, Mr. Lo Kai Yiu, Anthony (Chairman), Mr. Kao Ying Lun, and Mr. Jack Schmuckli, had reviewed with management the accounting principles and practices adopted by the Group and discussed, among other things, auditing, internal control and financial reporting matters including the review of the audited financial statements of the Group for the year ended March 31, 2006. The Audit Committee had also reviewed the annual results of the Group for the year ended March 31, 2006 in conjunction with the Company's external auditors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws in Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors as at the latest practicable date prior to the issue of this annual report, the percentage of the Company's share which are in the hands of the public exceeds 25% of the Company's total number of issued shares throughout the year ended March 31, 2006.

AUDITORS

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors.

On behalf of the Board of Directors



Raymond Chan
Chairman & Chief Executive Officer



Chan Pau Shiu Yeng, Shirley
Executive Director

Hong Kong
May 29, 2006