盛源控股有限公司

SHENG YUAN HOLDINGS LIMITED

Stock Code: 851

2009 Annual Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lin Min *(Chairman)*
Yip Kar Hang, Raymond

Independent Non-Executive Directors

Chan Ho Sun, Sunny
Cheung Kwok Keung
Lau On Kwok

COMPANY SECRETARY

Or Wing Keung

AUDITOR

Deloitte Touche Tohmatsu

BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 803
AXA Centre
151 Gloucester Road
Wanchai
Hong Kong

LEGAL ADVISORS

Kirkpatrick & Lockhart Preston Gates Ellis
Conyers Dill & Pearman

HONG KONG BRANCH SHARE REGISTRARS AND TRANSFER OFFICE

Tricor Tengis Limited
26/F., Tesbury Centre
28 Queen's Road East
Hong Kong

WEBSITE

www.shengyuanholdings.com

CHAIRMAN'S STATEMENT

I am pleased to announce the annual results of Sheng Yuan Holdings Limited (the "Company", together with its subsidiaries, the "Group") for the year ended 30 April 2009.

In view of the challenging economic and operating environment, the Group had taken steps to streamline its operations during the financial year. As part of the process, the Group's subsidiaries engaged in manufacturing and trading of adaptors and transformers were disposed. The disposal has not only resulted in a gain on disposal, but would also allow the Group to focus its resources onto other areas of development.

On 13 April 2009, Front Riches Investments Limited entered into sale and purchase agreements with the then controlling shareholders to acquire controlling interests in the Company. After the completion of a mandatory unconditional general offer in June 2009, a complete change of members of the board of directors (the "Board"), including the appointment of myself as chairman, and key management appointments were also completed. The name of the Company was also changed to Sheng Yuan Holdings Limited with effect from 10 June 2009 to provide the Company with a new corporate identity. The new Board and management shall continue to uphold good corporate governance and relentlessly develop the Group to new heights for the best interests of all stakeholders.

As the world economy recovers from the recent economic turmoil, opportunities would arise for those who are ready and capable of capturing them. With its abundant resources and sound economy, China has all the qualities of a region with recovery and growth that would be amongst the world's strongest. The Group's existing trading business shall benefit from the improving demand resulting from China's growing economy. To enhance the Group's growth, value and returns and to capture opportunities in this upward trending economy, it is also the Group's intention to extend its business scope to other business areas including but not limited to the resources industry.

I would also like to take this opportunity to thank all our Board, management and staff members for their support and contribution to the Group.

Lin Min
Chairman

10 August 2009

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The turnover of the Group for the year ended 30 April 2009 (the "Financial Year") amounted to approximately HK$23.5 million, representing a drop of 25% as compared with the turnover of the preceding 12 months. The decrease in turnover reflects the ceasing of contribution from the manufacturing and trading of adaptors and transformers subsequent to its disposal on 28 October 2008 and decreased revenue generated from continuing operations due to then prevailing economic conditions. During the Financial Year, the Group has turned around to a profit attributable to shareholders of approximately HK$31.2 million from losses of HK$80.1 million for the preceding year. The turnaround to profit during the Financial Year was recorded mainly as a result of gain of approximately HK$41.6 million on disposal of the Group's subsidiaries engaged in manufacturing and trading of adaptors and transformers and discontinuation of loss contribution from such subsidiaries subsequent to their disposal.

In view of its continually adverse trading environment and operating performance in the sector of manufacturing and trading of adaptors and transformers, the Board considered it beneficial to streamline its operations and divest such operations. On 28 October 2008, the Group entered into the sale and purchase agreement to sell the entire equity interest in the issued capital of Mei Ah Electrical & Industry (HK) Limited, Mei Ah Management Services Limited and Mei Ah Industrial Limited (collectively the Disposal Group"). The disposal of the entire equity interest in the Disposal Group represents a discontinuance of the manufacturing and trading of adaptors and transformers operations and has therefore been accounted for accordingly in the final results. As a result of the disposal, the Group would have improved flexibility in deploying its financial and cash resources in other more lucrative businesses, such as the trading of electrical products and copper concentrate.

The trading of electrical products and copper concentrate have continued to provide a stable source of revenue for the Group during the Financial Year. Revenue of HK$23.5 million was recorded for the Financial Year, representing a decrease of 25% from the previous year (2008: HK$31.2 million). A gross profit of HK$511,000 was recorded for the segments during the Financial Year. While margins are low for this type of trading business, such business requires low investment and overhead costs and can provide positive contribution to the Group.

PROSPECTS

As the industrial market remains robust for copper concentrates and the economy in general gradually improves, the trading of copper concentrates and electrical products shall continue to provide stable revenue for the Group.

On 13 April 2009, Front Riches Investments Limited (the "New Controlling Shareholder") entered into sale and purchase agreements with the then controlling shareholders to acquire controlling interests in the Company. A mandatory unconditional general offer in cash was then made for all the issued shares other than those already owned or agreed to be acquired by the New Controlling Shareholder and parties acting in concert with it. The mandatory unconditional general offer was completed on 3 June 2009. Also on 13 April 2009, the Company and the New Controlling Shareholder entered into a subscription agreement pursuant to which the Company has agreed to issue and the New Controlling Shareholder agreed to subscribe convertible notes in the aggregate principle amount of HK$44,417,600, which serves to provide the Group with financial resources for seeking future business opportunities. The subscription agreement was approved by shareholders in a special general meeting on 8 June 2009. Further details of the above transactions are disclosed in a composite offer and response document and a circular relating to the abovementioned convertible notes subscription, both dated 13 May 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Subsequent to the change of controlling shareholders and completion of mandatory unconditional general offer, i) formation of a new board of directors; ii) a change in auditor of the Group to Deloitte Touche Tohmatsu; and iii) a change of the Company's name to Sheng Yuan Holdings Limited were also completed in order to provide the Group with new directions, highest standards of corporate governance and a new corporate identity. It is the Board's intention to extend the Group's business scope in other opportune business areas including but not limited to the resources industry while continuing the existing businesses of the Group. The Group will consider undertaking other business opportunities and assets and/or business acquisitions as appropriate in order to enhance its growth, broadening its income stream and maximizing its value and returns.

LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operation with internally generated cash flow and fund from issuance of shares and convertible bonds.

As at 30 April 2009, cash and bank balances maintained by the Group were approximately HK$3 million (2008: HK$15.8 million). The Group had current assets of approximately HK$17.5 million (2008: HK$31.5 million). Subsequent to the disposal of the Disposal Group, the total assets and total liabilities of the Group have decreased to approximately HK$17.7 million and HK$59 million as at 30 April 2009 from approximately HK$32.6 million and HK$108.5 million respectively of the previous financial year. Accordingly, the Group current ratio (current assets over current liabilities) has improved to 123% (2008: 48%). The gearing of the Group, measured as total debts to total assets was 334% as at 30 April 2009, as compared with 333% as at 30 April 2008.

The Group's transactions are mainly denominated in Hong Kong dollars and United States dollars. As Hong Kong dollars is pegged to United State dollars, the Group's exposure to exchange rate fluctuations is minimal. Therefore, the Group does not engage in hedging contracts.

CAPITAL STRUCTURE

During the financial year, the holder of the convertible notes of the Company has converted HK$37.3 million convertible notes into 373,048,000 new ordinary shares of the Company.

In February 2009, the Group has raised approximately HK$3.04 million as a result of the shares placement by issuance of 25,000,000 shares of the Company at a price of HK$0.125.

CONTINGENT LIABILITIES

As at 30 April 2009, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 30 April 2009, the Group did not pledge any of its assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 April 2009, the Group employed approximately 9 employees, all situated in Hong Kong. The remuneration policy and package of the Group's employees are maintained at market level and reviewed annually by the management. In addition to the basic salary, discretionary bonuses, mandatory pension fund and medical insurance scheme, share options may also be granted to eligible employees at the discretion of the Board and are subject to the performance of the individual employees as well as the Group.

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Ms. Lin Min, aged 33, was appointed as an executive director of the Company in May 2009 and was further appointed as the chairman of the Board in June 2009. Ms. Lin is responsible for the Group's strategic planning including business objectives and directions. At present, Ms. Lin is the general manager of an investment consultancy firm in Shanghai. Ms. Lin was the general manager of an advertising company in Shanghai. Ms. Lin graduated from the research programme on enterprise management of East China Normal University (華東師範大學) and the enterprises management programme of Shanghai Jingan District College (上海靜安區業餘大學).

Mr. Yip Kar Hang, Raymond, aged 41, was appointed as an executive director in May 2009 and was further appointed as the chief executive officer of the Company in June 2009. Mr. Yip is responsible for the overall financial and business operations and management of the Group. Mr. Yip has extensive experience in financial management, corporate mergers and acquisitions and company secretarial matters with various listed companies in Hong Kong. Mr. Yip is the executive director and chief executive officer of Kai Yuan Holdings Limited, a company incorporated in Bermuda which shares are listed on the main board of The Stock Exchange of Hong Kong Limited ("Stock Exchange"). Mr. Yip founded and is a director of Radia Capital Strategy Limited. Mr. Yip was an executive director, chief financial officer and company secretary of Imagi International Holdings Limited, a company the issued shares of which are listed on the main board of the Stock Exchange. Mr. Yip is a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants. He received his Master of Science degree in finance from University of Leicester and bachelor of science degree in business administration from California State Polytechnic University, Pomona.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Ho Sun, Sunny, aged 39, was appointed as an independent non-executive director of the Company in July 2009. Mr. Chan has been working in the securities and investment banking industries for over fifteen years, and has broad experience in the areas of research, marketing, and corporate advisory. He was an executive director of the overseas investment banking subsidiary of a leading Chinese bank for five years and has played a key role in various company transactions for both Hong Kong listed and private companies. Mr. Chan holds a master degree in business administration from Edinburgh Business School, the United Kingdom and a bachelor of arts degree in economics from The University of British Columbia, Canada. Mr. Chan is a member of the Hong Kong Securities Institute, the Institute of Management Accountant, and the Hong Kong Stockbrokers Association.

Mr. Cheung Kwok Keung, aged 42, was appointed as an independent non-executive director of the Company in May 2009. Mr. Cheung started his career in the field of auditing, accounting and financial management 20 years ago. Mr. Cheung is the chief financial officer and company secretary of Lee and Man Paper Manufacturing Limited, a company the issued shares of which are listed on the main board of the Stock Exchange. Mr. Cheung is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung holds a professional diploma in accountancy from the Hong Kong Polytechnic University.

Mr. Lau On Kwok, aged 43, was appointed as an independent non-executive director of the Company in May 2009. Mr. Lau is a director of China Assets Investment Management Limited and qualified accountant and company secretary of China Assets (Holdings) Limited, a company the issued shares of which are listed on the main board of the Stock Exchange. He is a director of Shandong Lukang Pharmaceutical Company Limited, a company the shares of which are listed on the Shanghai Stock Exchange. Mr. Lau is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Lau obtained a master of science degree in financial management from University of London and a bachelor of arts (honours) degree in accounting and financial analysis from University of Newcastle upon Tyne.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain high standard of corporate governance standards and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency. The Company has complied with the code on corporate governance practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the financial year ended 30 April 2009 except the following:

Code Provision A.2.1

There was no separation of the role of chairman (the "Chairman") and chief executive officer (the "CEO") as set out in the Code provision A.2.1. During the year ended 30 April 2009, Mr. Ko Chun Shun, Johnson assumed the role of both the Chairman and the CEO of the Company. This was a temporary arrangement to allow the Board to select a suitable candidate to fill the post of the CEO. Subsequent to the appointment of Ms. Lin Min as the Chairman and Mr. Yip Kar Hang, Raymond as the CEO of the Company on 4 June 2009, Code provision A.2.1 has been complied accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules as a code of conduct of the Company for directors' securities transactions. Having made specific enquiry of all directors, the directors have complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions throughout the year ended 30 April 2009.

BOARD OF DIRECTORS

As at 30 April 2009, the board of directors (the "Board") of the Company comprised two executive directors and three independent non-executive directors.

The composition of the Board's members is as follows:

Executive Directors

Mr. Ko Chun Shun, Johnson *(Chairman)*	(resigned on 4 June 2009)
Mr. Wong Siu Kang	(resigned on 4 June 2009)

Independent Non-executive Directors

Mr. Tang Ho Sum	(resigned on 4 June 2009)
Mr. Yuen Kin	(resigned on 4 June 2009)
Mr. Liu Tsun Kie	(resigned on 4 June 2009)

During the year ended 30 April 2009, five Board meetings were held. Details of the attendance of individual directors at Board meetings during the year are set out in the following table.

Name	Number of meetings attended
Executive Directors	
Mr. Ko Chun Shun, Johnson	5
Mr. Wong Siu Kang	5
Independent Non-executive Directors	
Mr. Tang Ho Sum	5
Mr. Yuen Kin	5
Mr. Liu Tsun Kie	5

The Board, led by the Chairman, is responsible for formulation of the Group's strategies and policies, approval of annual budget and business plan, and supervising the management of day-to-day operation of the Group to ensure the business objectives are met.

NON-EXECUTIVE DIRECTORS

The non-executive directors of the Company are appointed for a specific term subject to retirement by rotation as required by the bye-law of the Company (the "Bye-Law").

REMUNERATION COMMITTEE

The principal duties of the Remuneration Committee include making recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and reviewing the specific remuneration package of all executive directors by reference to corporate goals and objectives resolved by the Board from time to time. The Company has adopted written terms of reference for the Remuneration Committee, which clearly define its authority and duties.

At 30 April 2009, the chairman of the Remuneration Committee was Mr. Liu Tsun Kie, an independent non-executive director of the Company. The other members comprised two independent non-executive directors of the Company, Mr. Yuen Kin and Mr. Tang Ho Sum, and an executive director Mr. Ko Chun Shun, Johnson. The independent non-executive directors of the Company constitute the majority of the committee.

During the year, the Remuneration Committee held one meeting was held. The attendance of individual members was set out in the following table.

Name	Number of meetings attended
Mr. Ko Chun Shun, Johnson	1
Mr. Liu Tsun Kei	1
Mr. Tang Ho Sum	1
Mr. Yuen Kin	1

NOMINATION OF DIRECTORS

The Company does not have a nomination committee as the role and function of such a committee are performed by the Board. Appointment of new directors is a matter for consideration by the Board. The Board will review the profiles of the candidates before considering the appointment and re-nomination of directors.

According to the Bye-Laws, any directors so appointed by the Board shall hold office, in the case of filling a casual vacancy, only until the next following general meeting of the Company or, in the case of an addition to their number, until the next following annual general meeting of the Company, who shall then be eligible for re-election at such annual general meeting.

AUDITOR'S REMUNERATION

During the year, the remunerations payable to the auditor of the Company, Deloitte Touche Tohmatsu, are set out as follows:

Services rendered	Fee payable HK$'000
Audit services	400

AUDIT COMMITTEE

The principal duties of the Audit Committee include reviewing the Group's current financial standing, considering the nature and scope of audit reports and ensuring internal control system are operated in accordance with applicable standards. The Company has adopted written terms of reference for the Audit Committee, which clearly define its authority and duties.

As at 30 April 2009, Mr. Yuen Kin, an independent non-executive director of the Company, was the chairman of the Audit Committee. Two other members comprised the other independent non-executive directors, namely Mr. Tang Ho Sum and Mr. Liu Tsun Kie.

During the year, the Audit Committee held two meetings and the attendance of individual members was set out in the following table.

Name	Number of meetings attended
Mr. Yuen Kin	2
Mr. Tang Ho Sum	2
Mr. Liu Tsun Kie	2

During the financial year ended 30 April 2009, the Board had no disagreement with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditors.

INTERNAL CONTROLS

A sound and effective internal control system is important for the Group to safeguard investments of the shareholders and assets of the Group. The Board, through the Audit Committee, has reviewed the effectiveness of the Group's internal control system covering all material controls, including financial, operational and compliance controls and risk management functions of the Group.

RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group in accordance with statutory requirements and applicable accounting standards.

The statement of the auditor of the Company, Messrs. Deloitte Touche Tohmatsu, about their reporting responsibilities on the consolidated financial statements of the Group is set out in the independent auditor's report on page 16 of this annual report. The directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern as at 30 April 2009. Accordingly, the directors have prepared the consolidated financial statements on a going concern basis.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Board is committed to providing clear and full performance information of the Group to shareholders through the publication of interim and annual reports. In additional to dispatching circulars, notices, financial reports to shareholders, addition information is also available to shareholders from the Group's website.

Shareholders are encouraged to attend the annual general meeting for which at least 20 clear business days' notice is given. The chairman and directors are available to answer question on the Group's businesses at the meeting. Shareholders have statutory rights to call for special general meetings and put forward agenda items for considerations by shareholders. Pursuant to rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the resolutions put to vote at the annual general meeting will be taken by way of poll. The chairman of the annual general meeting will explain the detailed procedure for conducting a poll at the commencement of the annual general meeting.

The Group values feedback from shareholders on its effort to promote transparency and foster investor relationships. Comments and suggestions are always welcomed.

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 30 April 2009.

CHANGE OF COMPANY'S NAME

Pursuant to a special resolution passed by the shareholders at a special general meeting of the Company held on 8 June 2009, the name of the Company was changed from MAE Holdings Limited to Sheng Yuan Holdings Limited with the Chinese name "盛源控股有限公司" adopted as a secondary name.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its subsidiaries are set out in note 32 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 30 April 2009 are set out in the consolidated income statement on page 17.

The directors did not recommend the payment of any final dividend.

MAJOR CUSTOMERS AND SUPPLIERS

The three largest customers of the Group accounted for 100% of the Group's total turnover and the largest customer accounted for approximately 52% of the Group's total turnover.

The three largest suppliers of the Group accounted for 100% of the Group's total purchases for the year and the largest suppliers accounted for approximately 52% of the Group's total purchases.

At no time during the year did a director, an associate of a director or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) have an interest in any of the Group's three largest suppliers or customers.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 22 to the consolidated financial statements.

SHARE OPTION SCHEME

Details of the Company's share option scheme are set out in note 24 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 58.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 30 April 2009 and 2008, no reserves are available for distribution to shareholders.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Ms. Lin Min	(appointed on 14 May 2009)
Mr. Yip Kar Hang, Raymond	(appointed on 14 May 2009)
Mr. Ko Chun Shun, Johnson	(resigned on 4 June 2009)
Mr. Wong Siu Kang	(resigned on 4 June 2009)

Independent non-executive directors:

Mr. Chan Ho Sun, Sunny	(appointed on 3 July 2009)
Mr. Cheng Kwok Keung	(appointed on 14 May 2009)
Mr. Lau On Kwok	(appointed on 14 May 2009)
Mr. Lau Wai Kit	(appointed on 14 May 2009 and resigned on 3 July 2009)
Mr. Liu Tsun Kie	(resigned on 4 June 2009)
Mr. Tang Ho Sum	(resigned on 4 June 2009)
Mr. Yuen Kin	(resigned on 4 June 2009)

In accordance with Article 86(2) of the Company's Bye-laws, Ms. Lin Min, Mr. Yip Kar Hang, Raymond, Mr. Chan Ho Sun, Sunny, Mr. Cheung Kwok Keung and Mr. Lau On Kwok, who were appointed as directors by the Board, will hold office until the forthcoming annual general meeting and being eligible, offers themselves for re-election.

The directors being proposed for re-election at the forthcoming annual general meeting do not have a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of a compensation (other than statutory compensation).

The non-executive directors have been appointed for a specific term subject to retirement by rotation as required by the Company's Bye-laws.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND CONVERTIBLE NOTES

As at 30 April 2009, the interests of the directors and the chief executives and their associates in the shares of the Company as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO") or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

Convertible bonds of the Company *(note a)*

Name of director	Number of underlying share interested	Description of capacity derivatives	Approximate percentage of interest held
Mr. Ko Chun Shun, Johnson	430,000,000	5 years 5% convertible bonds *(Note b)*	79.38%

Notes:

(a) The convertible bonds are held by Grand Promise Enterprises Limited, which is wholly owned by Mr. Ko Chun Shun, Johnson.

(b) The 5 Years 5% convertible bonds with an outstanding principal amount of HK$51,600,000 as at 30 April 2009 issued by the company on 17 July 2007 and due on 16 July 2012 are convertible into shares at a conversion price of HK$0.12 per share.

Save as disclosed above, none of the directors or their associates had any interests or short positions in any shares, underlying shares and convertible notes of the Company or any of its associated corporations as at 30 April 2009.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the convertible bonds discussed above and the share option scheme of the Company, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

SUBSTANTIAL SHAREHOLDERS

As at 30 April 2009, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than interest disclosed above in respect of certain directors and chief executives, the following shareholders had notified the Company of their relevant interests in the issued share capital of the Company.

Long positions – ordinary shares of HK$0.1 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Front Riches Investments Limited	Beneficial owner *(Note a)*	365,104,472	67.40%
Ko Hin Ting, James	Beneficial owner	30,000,000	5.54%

Note:

(a) Front Riches Investments Limited is a corporation controlled by Mr. Hu Yishi, whose wife, Ms. Lin Min was appointed as an executive director of the Company on 14 May 2009.

Other than the interests disclosed above, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO discloses no other person as having a notifiable interest or short position in the issued share capital of the Company as at 30 April 2009.

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.

CORPORATE GOVERNANCE

The Company's Corporate Governance Report is set out in pages 7 to 10.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees. Details of the scheme is set out in note 24 to the consolidated financial statements.

DIRECTORS' REPORT

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited. The Company considers all of the independent non-executive directors are independent.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 30 April 2009.

AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The audit committee comprises three members, Mr. Chan Ho Sun, Sunny, Mr. Cheung Kwok Keung and Mr. Lau On Kwok. All of them are independent non-executive directors of the Company.

POST BALANCE SHEET EVENTS

Details of the significant events after the balance sheet date are set out in note 31 to the consolidated financial statements.

AUDITOR

Messrs. CCIF CPA Limited ("CCIF"), who acted as auditor of the Company for the past three years, resigned on 8 June 2009. On 8 June 2009, Deloitte Touche Tohmatsu has been appointed as the auditor of the Group to fill the casual vacancy following the resignation of CCIF. A resolution will be submitted to the annual general meeting to re-appoint the auditor, Messrs. Deloitte Touche Tohmatsu.

On behalf of the Board
Lin Min
Chairman

10 August 2009

INDEPENDENT AUDITOR'S REPORT

Deloitte.
德勤

TO THE MEMBERS OF SHENG YUAN HOLDINGS LIMITED
盛源控股有限公司
(FORMERLY KNOWN AS MAE HOLDINGS LIMITED)
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Sheng Yuan Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 17 to 57, which comprise the consolidated balance sheet as at 30 April 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 April 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

10 August 2009

CONSOLIDATED INCOME STATEMENT

For the year ended 30 April 2009

	Notes	2009 HK$'000	2008 HK$'000 (restated)
Continuing operations			
Revenue	8	**23,546**	31,163
Cost of sales		**(23,035)**	(30,478)
Gross profit		**511**	685
Other income	10	**14**	242
Administrative expenses		**(4,194)**	(5,489)
Finance costs	11	**(4,779)**	(5,045)
Incremental consideration resulted from adjustment to conversion price of convertible bonds	3	**–**	(31,200)
Loss before taxation		**(8,448)**	(40,807)
Taxation	12	**–**	–
Loss for the year from continuing operations		**(8,448)**	(40,807)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	13	**39,674**	(39,328)
Profit/(loss) for the year	14	**31,226**	(80,135)
Earnings/(loss) per share	16		
From continuing and discontinued operations			
Basic		**HK$0.11**	HK$(0.63)
Diluted		**HK$0.04**	HK$(0.63)
From continuing operations			
Basic and diluted		**HK$(0.03)**	HK$(0.32)

CONSOLIDATED BALANCE SHEET

At 30 April 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment	17	**184**	1,080
Current assets			
Trade and other receivables and prepayments	18	**14,550**	15,781
Bank balances and cash	19	**2,956**	15,728
		17,506	31,509
Current liabilities			
Trade and other payables and accruals	20	**14,180**	37,837
Other borrowings	21	**–**	20,966
Convertible bonds	23	**–**	1,279
Tax payable		**–**	5,287
		14,180	65,369
Net current assets/(liabilities)		**3,326**	(33,860)
Total asset less current liabilities		**3,510**	(32,780)
Capital and reserves			
Share capital	22	**54,172**	14,367
Reserves		**(95,483)**	(90,265)
Net deficit		**(41,311)**	(75,898)
Non-current liabilities			
Convertible bonds	23	**44,821**	43,118
		3,510	(32,780)

The consolidated financial statements on pages 17 to 57 were approved and authorised for issue by the Board of Directors on 10 August 2009 and are signed on its behalf by:

Lin Min
Director

Yip Kar Hang, Raymond
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2009

	Attributable to equity holders of the Company									
	Share capital HK$'000	**Share premium** HK$'000	**Shareholder's contribution** HK$'000 (restated)	**Other reserve** HK$'000 (restated) *(Note a)*	**Merger reserve** HK$'000 *(Note b)*	**Translation reserve** HK$'000	**Capital redemption reserve** HK$'000	**Convertible bonds reserve** HK$'000	**Accumulated losses** HK$'000 (restated)	**Total** HK$'000 (restated)
At 1 May 2007	6,395	4,455	–	–	758	(362)	477	34,841	(99,025)	(52,461)
Exchange differences arising on translation of foreign operation and net income recognised directly in equity	–	–	–	–	–	1,927	–	–	–	1,927
Release of translation reserve upon disposal of subsidiaries	–	–	–	–	–	(1,565)	–	–	–	(1,565)
Loss for the year	–	–	–	–	–	–	–	–	(80,135)	(80,135)
Total recognised income and expense for the year	–	–	–	–	–	362	–	–	(80,135)	(79,773)
Prior year adjustment – waiver of debt and interest by a former substantial shareholder *(note 3)*	–	–	7,834	–	–	–	–	–	–	7,834
Prior year adjustment – incremental consideration resulted from adjustment to conversion price of convertible bonds *(note 3)*	–	–	–	31,200	–	–	–	–	–	31,200
Recognition of equity component of convertible bonds issued *(note 23)*	–	–	–	–	–	–	–	9,766	–	9,766
Shares issued upon conversion of convertible bonds *(note 23)*	972	255	–	–	–	–	–	(1,110)	–	117
Shares issued under placement *(note 22)*	7,000	1,400	–	–	–	–	–	–	–	8,400
Share issue expenses	–	(981)	–	–	–	–	–	–	–	(981)
At 30 April 2008 – as restated	14,367	5,129	7,834	31,200	758	–	477	43,497	(179,160)	(75,898)
Profit for the year	–	–	–	–	–	–	–	–	31,226	31,226
Shares issued upon conversion of convertible bonds *(note 23)*	37,305	27,951	–	(31,200)	–	–	–	(33,731)	–	325
Shares issued under placement *(note 22)*	2,500	625	–	–	–	–	–	–	–	3,125
Share issue expenses	–	(89)	–	–	–	–	–	–	–	(89)
Transfer	–	–	–	–	(758)	–	–	–	758	–
At 30 April 2009	54,172	33,616	7,834	–	–	–	477	9,766	(147,176)	(41,311)

Notes:

(a) Other reserve represented the incremental consideration resulted from adjustment to conversion price of convertible bonds as disclosed in note 3 to the consolidated financial statements. Amount had been transferred to share premium upon conversion of the convertible bonds during the year ended 30 April 2009.

(b) The merger reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for their acquisition at the time of group reorganisation in 1998. The subsidiaries had been disposed during the year and therefore the merger reserve had been transferred to accumulated losses.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April 2009

	Note	2009 HK$'000	2008 HK$'000 (restated)
OPERATING ACTIVITIES			
Profit/(loss) before taxation		**31,226**	(74,848)
Adjustments for:			
Allowance for bad and doubtful debts		**–**	15,590
Interest expense		**4,779**	5,299
Interest income		**(14)**	(253)
Depreciation of property, plant and equipment		**135**	1,267
Loss/(gain) on disposal of property, plant and equipment		**795**	(2,078)
Impairment loss on property, plant and equipment		**–**	3,661
Allowance for slow moving inventories		**–**	7,013
Gain on disposal of subsidiaries		**(41,640)**	(4,432)
Incremental consideration resulted from adjustment to conversion price of convertible bonds		**–**	31,200
Operating cash flows before movements in working capital		**(4,719)**	(17,581)
Decrease in inventories		**–**	1,591
Decrease/(increase) in trade and other receivables and prepayments		**683**	(27,140)
(Decrease)/increase in trade and other payables and accruals		**(7,666)**	15,687
Cash used in operations		**(11,702)**	(27,443)
Interest received		**14**	253
Interest paid		**(4,030)**	(4,209)
Hong Kong profits tax paid		**(43)**	–
NET CASH USED IN OPERATING ACTIVITIES		**(15,761)**	(31,399)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(34)**	(379)
Proceeds from disposal of property, plant and equipment		**–**	2,078
Disposal of subsidiaries	*26*	**(13)**	(68)
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		**(47)**	1,631
FINANCING ACTIVITIES			
Shares issued under placement		**3,125**	8,400
Share issue expenses		**(89)**	(981)
Convertible bonds issued		**–**	51,600
New loans raised		**–**	28,366
Repayment of loans		**–**	(41,783)
Repayment of finance leases		**–**	(302)
NET CASH FROM FINANCING ACTIVITIES		**3,036**	45,300

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 April 2009

	2009 HK$'000	2008 HK$'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(12,772)**	15,532
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**15,728**	(797)
EFFECT OF FOREIGN CURRENCY RATE CHANGES	**–**	993
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**2,956**	15,728
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Short term bank deposits	**–**	3,653
Bank balances and cash	**2,956**	12,075
	2,956	15,728

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent and ultimate holding company was Grand Promise Enterprises Limited ("Grand Promise"), a company incorporated in the British Virgin Islands ("BVI"). On 22 April 2009, Front Riches Investments Limited ("Front Riches"), a company incorporated in the BVI, entered into an agreement to purchase the entire shares held by Grand Promise. Front Riches became the parent and ultimate holding company to the Group accordingly, thereafter. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Group is located in Unit 803, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in trading of electrical products and copper concentrate. In prior periods, it also engaged in manufacturing and trading of adaptors and transformers which was discontinued during the current year. Particulars of the principal subsidiaries of the Company are set out in note 32.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

Pursuant to a special resolution passed by the shareholders at a special general meeting of the Company held on 8 June 2009, the name of the Company was changed from MAE Holdings Limited to Sheng Yuan Holdings Limited with the Chinese name "盛源控股有限公司" adopted as a secondary name.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the Group's net liabilities of approximately HK$41,311,000 as at 30 April 2009. The controlling shareholder of the Group has committed to provide adequate funds for the Group to meet its liabilities as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. COMPARATIVE FINANCIAL INFORMATION

In the current year, the Group has re-presented the consolidated income statement for the year ended 30 April 2008 to reflect the discontinued operations and made the following restatements:

	As previously reported	Re-presented for discontinued operations	Restatements		As restated
		(i)	*(ii)*	*(iii)*	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Continuing operations					
Revenue	35,395	(4,232)	–	–	31,163
Cost of sales	(48,387)	17,909	–	–	(30,478)
Gross (loss)/profit	(12,992)	13,677	–	–	685
Other income	10,532	(2,456)	(7,834)	–	242
Selling and distribution costs	(1,773)	1,773	–	–	–
Administrative expenses	(30,714)	25,225	–	–	(5,489)
Finance costs	(5,299)	254	–	–	(5,045)
Gain on disposal of subsidiaries	4,432	(4,432)	–	–	–
Incremental consideration resulted from adjustment to conversion price of convertible bonds	–	–	–	(31,200)	(31,200)
(Loss)/profit before taxation	(35,814)	34,041	(7,834)	(31,200)	(40,807)
Taxation	(5,287)	5,287	–	–	–
(Loss)/profit for the year from continuing operations	(41,101)	39,328	(7,834)	(31,200)	(40,807)
Discontinued operations					
Loss for the year from discontinued operations	–	(39,328)	–	–	(39,328)
Loss for the year	(41,101)	–	(7,834)	(31,200)	(80,135)
Loss per share – from continuing and discontinued operations					
Basic and diluted	HK$(0.32)				HK$(0.63)

3. COMPARATIVE FINANCIAL INFORMATION *(Continued)*

(i) During the year, the Group discontinued its manufacturing and trading of adaptors and transformers operations by the disposal of certain subsidiaries as disclosed in note 13 and 26. Comparative figures in the consolidated income statement and the notes to the consolidated financial statements had been re-presented.

(ii) Pursuant to the subscription agreement dated 20 April 2007 between the Company and Prime Sun Group Limited ("Prime Sun") and Grand Promise and the sales and purchase agreement dated 20 April 2007 for the sales of shares and convertible bonds of the Company entered between Fine Assets Limited ("Fine Assets"), HK Sky Entertainment Holdings Limited, Prime Sun and Grand Promise, Fine Assets agreed to (i) sell its entire interest in the Company to Prime Sun and (ii) receive HK$45,000,000 as the full settlement for the borrowing due by the Company amounted to HK$52,834,000. Accordingly, the amount waived by Fine Assets amounted to HK$7,834,000 (which was originally recognised as income for the year ended 30 April 2008) was accounted for as a contribution from the former substantial shareholder and credited directly to shareholder's contribution reserve.

(iii) Pursuant to the subscription agreement set out in note (ii) above, the Company placed 70,000,000 shares to Prime Sun at HK$ 0.12 each on 16 July 2007 which was lower than the quoted market price of the Company's shares on that date. In accordance with the 4.5% Bond (as defined in note 23) agreement, the conversion price of the 4.5% Bond was required to be adjusted using an adjusting factor determined by reference to the market price of the Company's shares if the Company issues any shares at a discount of more than 80% of the market price. The conversion price of the 4.5% Bond was reduced from HK$0.33 to HK$0.10 accordingly.

The directors considered the placement of shares was conducted on an arm's length basis between the parties to the subscription agreement. Therefore, the adjustment to conversion price by reference to the market price was not an anti-dilutive adjustment. The financial impact resulted from reducing the conversion price was estimated to be HK$31,200,000, representing the value of additional shares to be converted under the reduced conversion price of the 4.5% Bond. An expense of HK$ 31,200,000 was recognised during the year ended 30 April 2008 with a corresponding adjustment to other reserve.

There was no effect to the financial position of the Group as of 30 April 2008 and total equity as of 1 May 2007. The effects of the above restatements caused the accumulated losses increased by HK$39,034,000 as at 30 April 2008.

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)")

In the current year, the Group has applied the following amendments and interpretations ("New HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of financial assets
HK(IFRIC) – INT 12	Service concession arrangements
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of these New HKFRSs had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs [1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009 [2]
HKAS 1 (Revised)	Presentation of financial statements [3]
HKAS 23 (Revised)	Borrowing costs [3]
HKAS 27 (Revised)	Consolidated and separate financial statements [4]
HKAS 32 & HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation [3]
HKAS 39 (Amendment)	Eligible hedged items [4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate [3]
HKFRS 2 (Amendment)	Vesting conditions and cancellations [3]
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions [5]
HKFRS 3 (Revised)	Business combinations [4]
HKFRS 7 (Amendment)	Improving disclosures about financial instruments [3]
HKFRS 8	Operating segments [3]
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives [6]
HK(IFRIC) – INT 13	Customer loyalty programmes [7]
HK(IFRIC) – INT 15	Agreements for the construction of real estate [3]
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation [8]
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners [4]
HK(IFRIC) – INT 18	Transfer of assets from customers [9]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009.
2 Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate.
3 Effective for annual periods beginning on or after 1 January 2009.
4 Effective for annual periods beginning on or after 1 July 2009.
5 Effective for annual periods beginning on or after 1 January 2010.
6 Effective for annual periods ending on or after 30 June 2009.
7 Effective for annual periods beginning on or after 1 July 2009.
8 Effective for annual periods beginning on or after 1 October 2009.
9 Effective for transfers on or after 1 July 2009.

4. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS(s)") *(Continued)*

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 May 2010. HKAS 27 (Revised) will affect the Group's accounting treatment for changes in the Group's ownership interest in a subsidiary. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis as explained in the accounting policies set out below.

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts.

Sales of goods are recognised when goods are delivered and title has passed.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight line method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated income statement in the year in which the item is derecognised.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the year in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange differences are also recognised directly in equity.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities were translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses were translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions were used. Exchange differences arising, if any, were recognised as a separate component of equity (the translation reserve). Such exchange differences were recognised in profit or loss in the year in which the foreign operation is disposed of.

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Retirement benefit costs

Payments to defined contribution retirement benefit plans, the Mandatory Provident Fund Scheme and the state-managed retirement benefit schemes, are charged as an expense when employees have rendered service entitling them to the contributions.

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the consolidated income statement in the year in which they are incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets

The Group's financial assets are classified into loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Effective interest method

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

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 45 days and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis.

Convertible bonds with conversion option

Convertible bonds issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds equity reserve until the embedded option is exercised (in which case the balance stated in convertible bonds equity reserve will be transferred to share premium, where the option remains unexercised at the expiry date, the balance stated in convertible bonds reserve will be transferred to the accumulated losses.) No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Mandatorily convertible bonds

Mandatorily convertible bonds issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. An instrument that is mandatory convertible into a fixed number of the Company's ordinary shares and the Company does not have contractual obligation to redeem the principal amount is classified as equity of the Group. When the instrument carries an obligation for the Company to make fixed interest payments during the life of the mandatorily convertible bonds, the instrument includes a financial liability component. On initial recognition, the fair value of the liability component is determined of the present value of future interest payment discounted at the prevailing market interest rate of similar debt. The difference between the proceeds of the issue of the instrument and the fair value assigned to the liability component is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the instrument is carried at amortised cost using the effective interest method. The equity component, represented by the mandatory conversion option to convert into a fixed number of ordinary shares of the Company, will remain in convertible bonds reserve until the instrument is mandatory converted into shares at maturity date or the mandatory conversion option is exercised by the holders, in which case the balance stated in convertible bonds reserve is transferred to share capital and share premium.

When the conversion price is reduced (except for an anti-dilutive adjustment), the incremental consideration which represents the value of additional shares to be converted under the reduced conversion price is recognised in the consolidated income statement with a corresponding adjustment to other reserve. The amount of incremental consideration is transferred to share premium at the time the convertible bonds are converted.

Other financial liabilities

Other financial liabilities including trade and other payables and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Contributions from shareholders are recognised as shareholder's contribution reserve in the consolidated statement of changes in equity.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

5. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

For grants of share options which are conditional upon satisfying specified vesting conditions, the fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve). The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

For share options which are vested at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

At the time when the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

The financial impact of share options granted to employees on or before 7 November 2002, is not recorded in the consolidated financial statements until such time as the options are exercised, and no charge is recognised in the consolidated income statement in respect of the value of options granted. Upon the exercise of the share options, the resulting shares issued are recorded as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded as share premium. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

6. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the convertible bonds disclosed in note 23, issued share capital and reserves.

The directors of the Company review the capital structure on a continuous basis. As part of this review, the directors consider the cost of capital and the risks associates with capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and issuance of new shares as well as the addition of new borrowings.

7. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2009 **HK$'000**	2008 HK$'000
Financial assets		
Loans and receivables (including cash and cash equivalents)	**17,409**	31,407
Financial liabilities		
Amortised cost	**57,126**	99,769

7. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables, other borrowings and convertible bonds. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Group had foreign currency sales and purchases, denominated in currencies other than the Group's functional currency which exposed itself to foreign currency risk. Approximately 13% and 13% (2008: nil and 37%) of the Group's sales and purchases were denominated in currencies other than the functional currency of the respective group entities. In addition, certain trade receivables and trade payables were denominated in currencies other than the functional currency of the respective group entities. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States dollars ("USD")	**1,383**	–	**–**	–
Renminbi ("RMB")	**–**	10	**–**	12,899
	1,383	10	**–**	12,899

The directors of the Group expect the foreign exchange exposure on USD against Hong Kong dollars to be minimal because Hong Kong dollars are pegged with USD.

Sensitivity analysis

The Group was mainly exposed to foreign currency risk between RMB and Hong Kong dollars as at 30 April 2008. The Company's directors considered the Group's exposure to currency risk was limited because the amount of RMB denominated monetary item was insignificant.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to convertible bonds. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group has not used any interest rate swaps to mitigate its exposure associated with fluctuations relating to interest cash flows.

The Group currently does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The Company's directors considered the Group's exposure to currency risk relating to variable-rate bank balances is insignificant.

7. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations as at 30 April 2009 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The management closely monitors the subsequent settlement of the debts and does not grant long credit period to customers. In addition, the Group reviews the recoverable amount of each individual trade receivables at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 52% (2008: 48%) and 100% (2008: 100%) of the total trade receivables was due from the Group's largest customer and the three largest customers respectively. The three largest customers are located in People's Republic of China ("PRC") (including Hong Kong).

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

The Group had net liabilities of approximately HK$41,311,000 as at 30 April 2009. The controlling shareholder of the Group has committed to provide adequate funds for the Group to meet its liabilities as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Subsequent to year end, the Company issued 2% coupon convertible bonds at a par value of HK$44,417,600 to finance the operation of the Group as disclosed in note 31 to the consolidated financial statements.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Weighted average interest rate % per annum	Less than 6 months HK$'000	6 months to 1 year HK$'000	1-2 years HK$'000	2-5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amounts at 30.4.2009 HK$'000
2009							
Trade and other payables	–	12,305	–	–	–	12,305	12,305
Convertible bonds	5%	2,580	–	2,580	54,689	59,849	44,821
		14,885	–	2,580	54,689	72,154	57,126

7. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

	Weighted average interest rate % per annum	Less than 6 months HK$'000	6 months to 1 year HK$'000	1-2 years HK$'000	2-5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amounts at 30.4.2008 HK$'000
2008							
Trade and other payables	–	34,406	–	–	–	34,406	34,406
Other borrowings	–	20,966	–	–	–	20,966	20,966
Convertible bonds	4.8%	2,580	1,279	2,580	55,990	62,429	44,397
		57,952	1,279	2,580	55,990	117,801	99,769

Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

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

8. REVENUE

	2009 HK$'000	2008 HK$'000
Continuing operations		
Trading of electrical products	**15,344**	29,103
Trading of copper concentrate	**8,202**	2,060
	23,546	31,163
Discontinued operations		
Manufacturing and trading of adaptors and transformers	**–**	4,232

9. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group was organised into three operating divisions – trading of electrical products, trading of copper concentrate and manufacturing and trading of adaptors and transformers. These divisions are the basis on which the Group reports its primary segment information. On 28 October 2008, the Group completed the disposal of subsidiaries engaged in the manufacturing and trading of adaptors and transformers as set out in note 26. Hence, the manufacturing and trading of adaptors and transformers are presented as discontinued operations and the Group will continue the operation for trading of electrical products and trading of copper concentrate. The comparative figure in year 2008 had been re-presented to reflect the results from continuing operations and discontinued operations.

Principal activities are as follows:

Electrical products	–	Trading of electrical products
Copper concentrate	–	Trading of copper concentrate
Adaptors and transformers	–	Manufacturing and trading of adaptors and transformers

Segment information about these businesses is presented below.

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 APRIL 2009

	Continuing operations			Discontinued operations	
	Electrical products HK$'000	Copper concentrate HK$'000	Total HK$'000	Adaptors and transformers HK$'000	Consolidated HK$'000
REVENUE					
External sales	15,344	8,202	23,546	–	23,546
RESULTS					
Segment results	(543)	(230)	(773)	39,674	38,901
Unallocated income			14	–	14
Unallocated expenses			(2,910)	–	(2,910)
Finance costs			(4,779)	–	(4,779)
(Loss)/profit before taxation			(8,448)	39,674	31,226
Taxation			–	–	–
(Loss)/profit for the year			(8,448)	39,674	31,226

9. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

Business segments *(Continued)*

ASSETS AND LIABILITIES AS AT 30 APRIL 2009

	Continuing operations		
	Electrical products HK$'000	Copper concentrate HK$'000	Consolidated HK$'000
ASSETS			
Segment assets	13,644	557	14,201
Unallocated corporate assets			3,489
Consolidated total assets			17,690
LIABILITIES			
Segment liabilities	12,081	224	12,305
Unallocated corporate liabilities			46,696
Consolidated total liabilities			59,001

OTHER INFORMATION FOR THE YEAR ENDED 30 APRIL 2009

	Continuing operations			Discontinued operations	
	Electrical products HK$'000	Copper concentrate HK$'000	Unallocated HK$'000	Adaptors and transformers HK$'000	Consolidated HK$'000
Additions to property, plant and equipment	–	–	34	–	34
Depreciation of property, plant and equipment	–	–	135	–	135
Loss on disposal of property, plant and equipment	–	–	–	795	795

9. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

Business segments *(Continued)*

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 APRIL 2008

	Continuing operations			Discontinued operations	
	Electrical products HK$'000	Copper concentrate HK$'000	Total HK$'000 (restated)	Adaptors and transformers HK$'000	Consolidated HK$'000 (restated)
REVENUE					
External sales	29,103	2,060	31,163	4,232	35,395
RESULTS					
Segment results	(147)	2	(145)	(34,041)	(34,186)
Unallocated income			242	–	242
Unallocated expenses			(4,659)	–	(4,659)
Finance costs			(5,045)	–	(5,045)
Incremental consideration resulted from adjustment to conversion price of convertible bonds			(31,200)	–	(31,200)
Loss before taxation			(40,807)	(34,041)	(74,848)
Taxation			–	(5,287)	(5,287)
Loss for the year			(40,807)	(39,328)	(80,135)

ASSETS AND LIABILITIES AS AT 30 APRIL 2008

	Continuing operations		Discontinued operations	
	Electrical products HK$'000	Copper concentrate HK$'000	Adaptors and transformers HK$'000	Consolidated HK$'000
ASSETS				
Segment assets	12,270	1,028	–	13,298
Unallocated corporate assets				19,291
Consolidated total assets				32,589
LIABILITIES				
Segment liabilities	19,540	–	12,938	32,478
Unallocated corporate liabilities				76,009
Consolidated total liabilities				108,487

9. BUSINESS AND GEOGRAPHICAL SEGMENTS *(Continued)*

Business segments *(Continued)*

OTHER INFORMATION FOR THE YEAR ENDED 30 APRIL 2008

	Continuing operations			Discontinued operations	
	Electrical products HK$'000	Copper concentrate HK$'000	Unallocated HK$'000	Adaptors and transformers HK$'000	Consolidated HK$'000
Additions to property, plant and equipment	–	–	379	–	379
Depreciation of property, plant and equipment	–	–	95	1,172	1,267
Gain on disposal of property, plant and equipment	–	–	–	2,078	2,078
Allowance for bad and doubtful debts	–	–	–	15,590	15,590
Impairment loss on property, plant and equipment	–	–	–	3,661	3,661
Allowance for slow moving inventories	–	–	–	7,013	7,013

Geographical segments

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of the goods.

	Continuing operations		Discontinued operations		Total	
	Year ended 30.4.2009 HK$'000	Year ended 30.4.2008 HK$'000	**Year ended 30.4.2009 HK$'000**	Year ended 30.4.2008 HK$'000	**Year ended 30.4.2009 HK$'000**	Year ended 30.4.2008 HK$'000
Geographical market						
North America	**–**	–	**–**	356	**–**	356
Japan	**–**	–	**–**	1,627	**–**	1,627
Europe	**–**	–	**–**	1,113	**–**	1,113
PRC	**23,546**	31,163	**–**	1,136	**23,546**	32,299
	23,546	31,163	**–**	4,232	**23,546**	35,395

All the carrying amount of segment assets and additions to property, plant and equipment is located in PRC.

10. OTHER INCOME

	2009 HK$'000	2008 HK$'000 (restated)
Continuing operations		
Interest income on bank deposits	**14**	242
Discontinued operations		
Interest income on bank deposits	–	11
Gain on disposal of property, plant and equipment	–	2,078
Sundry income	–	367
	–	2,456

11. FINANCE COSTS

	2009 HK$'000	2008 HK$'000
Continuing operations		
Interest expense on other borrowings	–	819
Effective interest expense on convertible bonds	**4,779**	4,226
	4,779	5,045
Discontinued operations		
Interest on bank overdraft	–	224
Finance charges on obligations under finance leases	–	30
	–	254

12. TAXATION

	2009 HK$'000	2008 HK$'000
Discontinued operations		
Hong Kong profits tax – underprovision in prior years	–	5,287

No provision for Hong Kong profits tax has been made for the year ended 30 April 2009 and 2008 as the Group has no assessable profit for both years. Hong Kong profits tax is calculated at 16.5% for both years.

For the year ended 30 April 2008, the amount represented under-provision of Hong Kong profits tax in the book of a major operating subsidiary within the Group for the year of assessment 2001/02. The Inland Revenue Department issued an additional assessment for this subsidiary on the reason that manufacturing services fee and management fee paid by this subsidiary to several group companies for the year ended 30 April 2001 should not be deducted in the tax computation. This subsidiary had been disposed during the year as disclosed in note 26.

The taxation for the year can be reconciled to the profit/(loss) before taxation per the consolidated income statement as follows:

	2009 HK$'000	2008 HK$'000 (restated)
Profit/(loss) before taxation		
Continuing operations	(8,448)	(40,807)
Discontinued operations *(note 13)*	39,674	(34,041)
	31,226	(74,848)
Taxation at the Hong Kong profits tax rate of 16.5%	5,152	(12,350)
Tax effect of expenses not deductible for tax purpose	832	8,959
Tax effect of income not taxable for tax purpose	(6,592)	(905)
Tax effect of tax losses not recognised	608	3,955
Underprovision in prior years	–	5,287
Tax effect of deductible temporary difference not recognised	–	341
Taxation for the year	–	5,287

13. DISCONTINUED OPERATIONS

On 28 October 2008, the Group entered into a sale agreement to dispose of certain subsidiaries, Mei Ah Electrical & Industry (HK) Limited, Mei Ah Management Services Limited and Mei Ah Industrial Limited (collectively known as the "Disposal Group") which carried out all of the Group's operations related to manufacturing and trading of adaptors and transformers. The disposal was effected in order to focus its resources on the Group's electrical products trading operations and copper concentrate trading operations. The disposal resulted a gain on disposal of HK$41,640,000 and was completed on the same date, on which date control of the Disposal Group was passed to the acquirer, Good Ethic Limited, a company incorporated in BVI and an independent third party to the Group. During the year ended 30 April 2008, the Group disposed of certain subsidiaries engaged in the manufacturing and trading of adaptors and transformers to an independent third party. The disposal resulted in a gain on disposal at HK$4,432,000 (note 26).

The gain/(loss) for the year from the discontinued operation is analysed as follows:

	2009 **HK$'000**	2008 HK$'000
Loss of manufacturing and trading of adaptors and transformers operation for the year	**(1,966)**	(43,760)
Gain on disposal of manufacturing and trading of adaptors and transformers operation *(note 26)*	**41,640**	4,432
	39,674	(39,328)

The results for the period from 1 May 2008 to 28 October 2008, which have been included in the consolidated income statement, were as follows:

	Period from 1.5.2008 to 28.10.2008 HK$'000	Year ended 30.4.2008 HK$'000
Revenue	–	4,232
Cost of sales	–	(17,909)
Other income	–	2,456
Selling and distribution costs	–	(1,773)
Administrative expenses	(1,966)	(25,225)
Finance costs	–	(254)
Loss before taxation	(1,966)	(38,473)
Taxation *(note 12)*	–	(5,287)
Loss for the period/year	(1,966)	(43,760)

During the year, the Disposal Group used HK$49,000 (2008: HK$2,663,000) in the Group's net operating cash flows, received nil (2008: HK$2,078,000) in respect of investing activities and paid nil (2008: HK$302,000) in respect of financing activities.

The carrying amounts of the assets and liabilities of the Disposal Group at the date of disposal are disclosed in note 26.

14. PROFIT/(LOSS) FOR THE YEAR

	Continuing operations		Discontinued operations		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Profit/(loss) for the year has been arrived at after charging/(crediting):						
Allowance for bad and doubtful debts	**–**	–	**–**	15,590	**–**	15,590
Auditor's remuneration	**400**	560	**–**	–	**400**	560
Depreciation of property, plant and equipment	**135**	95	**–**	1,172	**135**	1,267
Loss/(gain) on disposal of property, plant and equipment	**–**	–	**795**	(2,078)	**795**	(2,078)
Net foreign exchange loss	**–**	–	**25**	886	**25**	886
Impairment loss on property, plant and equipment	**–**	–	**–**	3,661	**–**	3,661
Allowance for slow moving inventories	**–**	–	**–**	7,013	**–**	7,013
Operating lease payments in respect of rented properties	**–**	658	**–**	1,845	**–**	2,503
Staff costs (including directors' remuneration):						
Salaries and allowances and benefits	**1,345**	2,320	**–**	5,718	**1,345**	8,038
Retirement benefit scheme contributions	**28**	30	**–**	108	**28**	138
	1,373	2,350	**–**	5,826	**1,373**	8,176

15. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

Directors' emoluments

For the year ended 30 April 2009

	Note	Directors' fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total 2009 HK$'000
Executive directors					
Ko Chun Shun, Johnson	*(i)*	–	379	–	379
Wong Siu Kang	*(i)*	–	–	–	–
Independent non-executive directors					
Tang Ho Sum	*(i)*	144	–	–	144
Yuen Kin	*(i)*	144	–	–	144
Liu Tsun Kie	*(i)*	144	–	–	144
Total emoluments		432	379	–	811

15. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS *(Continued)*

Directors' emoluments *(Continued)*

For the year ended 30 April 2008

	Notes	Directors' fees HK$'000	Salaries and other benefits HK$'000	Retirement benefit scheme contributions HK$'000	Total 2008 HK$'000
Executive directors					
Ko Chun Shun, Johnson	*(ii)*	–	400	–	400
Wong Siu Kang	*(ii)*	–	120	–	120
Lo Wai Shing, Felix	*(iii)*	–	332	4	336
Lau Kevin	*(iii)*	–	236	4	240
Leung Wai Kuen, Cerene	*(iv)*	–	129	3	132
Independent non-executive directors					
Tang Ho Sum	*(ii)*	111	–	–	111
Yuen Kin	*(ii)*	111	–	–	111
Liu Tsun Kie	*(ii)*	111	–	–	111
Yeong Yun Hong, Gary	*(iv)*	33	–	2	35
Chu Chin Fan	*(iv)*	33	–	2	35
Yan Po Kwan	*(iv)*	33	–	2	35
Total emoluments		432	1,217	17	1,666

Notes:

(i) Directors resigned on 4 June 2009.

(ii) Directors appointed on 23 July 2007.

(iii) Directors resigned on 28 August 2007.

(iv) Directors resigned on 10 August 2007.

During both years, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors has waived any remuneration during the year.

15. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS *(Continued)*

Employees' emoluments

Of the five highest paid individuals of the Group, four (2008: three) are directors, details of whose emoluments are set out in above. The emoluments of the remaining one highest paid individuals (2008: two) were as follows:

	2009	2008
	HK$'000	HK$'000
Salaries and other benefits	**280**	290
Retirement benefits scheme contributions	**8**	8
	288	298

The aggregate emoluments of each of these remaining one (2008: two) highest paid individuals were less than HK$1,000,000.

During the year, no emoluments were paid by the Group to the above-mentioned individuals as an inducement to join the Group or as compensation for loss of office.

16. EARNINGS/(LOSS) PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earnings/(loss) per share from continuing and discontinued operations attributable to the ordinary equity holders of the Company is based on the following data:

	2009	2008
	HK$'000	HK$'000
Earning/(loss) for the purpose of basic earnings/(loss) per share	**31,226**	(80,135)
Interest on convertible bonds	**4,779**	–
Earning/(loss) for the purpose of diluted earnings/(loss) per share	**36,005**	(80,135)

	Number of shares	
	2009	2008
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**282,969,275**	128,125,189
Effect of dilutive potential ordinary shares assuming conversion of convertible bonds	**667,788,186**	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	**950,757,461**	128,125,189

For the year ended 30 April 2008, the computation of diluted loss per share from continuing and discontinued operations does not assume the conversion of the convertible bonds since the conversion would result in a decrease in loss per share.

16. EARNINGS/(LOSS) PER SHARE *(Continued)*

From continuing operations

The calculation of the basic loss per share from continuing operations attributable to the ordinary equity holders of the Company is based on the following data:

	2009 HK$'000	2008 HK$'000
Profit/(loss) for the year attributable to equity holders of the Company	31,226	(80,135)
Effect of (profit)/loss for the year from discontinued operations	(39,674)	39,328
Loss for the purpose of basic loss per share from continuing operations	(8,448)	(40,807)

The denominators used are the same as those detailed above for basic earnings/(loss) per share from continuing and discontinued operations.

The computation of diluted loss per share from continuing operations does not assume the conversion of the convertible bonds since the conversion would result in a decrease in loss per share from continuing operations.

From discontinued operations

The calculation of the basic and diluted earnings/(loss) per share from discontinued operation attributable to the ordinary equity holders of the Company is based on the following data:

	2009 HK$'000	2008 HK$'000
Profit/(loss) for the year from discontinued operations	39,674	(39,328)
Earnings/(loss) per share from discontinued operations attributable to equity holders of the Company		
Basic	HK$0.14	HK$(0.31)
Diluted	HK$0.04	HK$(0.31)

The denominators used are the same as those detailed above for basic earnings/(loss) per share from continuing and discontinued operations.

For the year ended 30 April 2008, the computation of diluted loss per share from discontinued operations does not assume the conversion of the convertible bonds since the conversion would result in a decrease in loss per share.

17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Moulds HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Plant and machinery HK$'000	Total HK$'000
COST						
At 1 May 2007	15,597	11,858	15,504	2,089	69,272	114,320
Exchange realignment	1	7	–	–	6	14
Additions	379	–	–	–	–	379
Disposals	(15,451)	(1,179)	(4,587)	–	(16,255)	(37,472)
Disposal upon disposal of subsidiaries	(147)	(392)	(721)	(2,089)	(2,867)	(6,216)
At 30 April 2008	379	10,294	10,196	–	50,156	71,025
Additions	34	–	–	–	–	34
Written off	–	(10,294)	(10,196)	–	(50,156)	(70,646)
At 30 April 2009	413	–	–	–	–	413
DEPRECIATION AND IMPAIRMENT						
At 1 May 2007	11,899	11,312	15,317	1,525	68,000	108,053
Exchange realignment	–	2	–	–	6	8
Provided for the year	614	97	101	75	380	1,267
Impairment loss	3,179	428	54	–	–	3,661
Eliminated on disposals	(15,451)	(1,179)	(4,587)	–	(16,255)	(37,472)
Eliminated upon disposal of subsidiaries	(147)	(366)	(721)	(1,600)	(2,738)	(5,572)
At 30 April 2008	94	10,294	10,164	–	49,393	69,945
Provided for the year	135	–	–	–	–	135
Written off	–	(10,294)	(10,164)	–	(49,393)	(69,851)
At 30 April 2009	229	–	–	–	–	229
CARRYING VALUES						
At 30 April 2009	184	–	–	–	–	184
At 30 April 2008	285	–	32	–	763	1,080

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the term of relevant lease
Moulds	20%
Furniture, fixtures and equipment	20%
Motor vehicles	20%
Plant and machinery	20%

During the year ended 30 April 2008, the directors ceased a production line for the manufacturing of adaptors and transformers. The relevant carrying amounts of leasehold improvements, moulds and furniture, fixtures and equipment for the production line of approximately HK$3,179,000, HK$428,000 and HK$54,000 had been impaired in the year 2008. There was no impairment identified by the directors during the year of 2009.

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2009 HK$'000	2008 HK$'000
Trade receivables	13,644	20,306
Less: Allowances for bad and doubtful debts	–	(7,008)
	13,644	13,298
Other receivables and prepayments	906	2,483
	14,550	15,781

The following is an aged analysis of trade receivables net of allowance for doubtful debts at the reporting date:

	2009 HK$'000	2008 HK$'000
0-45 days	10,101	13,298
46 to 180 days	2,160	–
> 180 days	1,383	–
	13,644	13,298

Trade receivables of approximately HK$1,383,000 (2008: nil) were denominated in USD, the currency other than the functional currency of the respective group entities.

The Group allows an average credit period of 45 days to its customers. As at 30 April 2009, trade receivables of approximately HK$3,543,000 (2008: nil), were past due but not provided for as there has not been a significant change in credit quality. The Group does not hold any collateral over the aforesaid trade receivables. The average age of these receivables is 152 (2008: nil) days.

In the opinion of the directors, the Group has maintained long term relationship with existing customers who have a strong financial position. The directors consider that such relationship enables the Group to limit its credit risk exposure. Before accepting any new customers, the Group will assess the potential customers' credit quality by reference to the experience of the management and defines credit limit by customers. Such credit limit is reviewed by the management periodically.

18. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS *(Continued)*

Movement in the allowance for bad and doubtful debts

	2009 HK$'000	2008 HK$'000
Balance at beginning of the year	**7,008**	5,199
Allowance for bad and doubtful debts on trade receivables	**–**	15,878
Reversal of allowance for bad and doubtful debts on trade receivables	**–**	(288)
Disposal of subsidiaries	**(7,008)**	(13,781)
Balance at end of the year	**–**	7,008

At 30 April 2008, allowance for bad and doubtful debts are individually impaired trade debtors with an aggregate balance HK$7,008,000 which had been in severe financial difficulties. The Group does not hold any collateral over these balances. No allowance for bad and doubtful debts has been made as at 30 April 2009.

19. BANK BALANCES AND CASH

Bank balances included short-term deposits with an original maturity of three months or less. Bank deposits received interest at prevailing market interest rates ranged from 0.1% to 1.9% (2008: 0.8% to 2.1%) per annum.

Bank balances and cash of approximately nil (2008: HK$10,000), were denominated in RMB, the currency other than the functional currency of the respective group entity.

20. TRADE AND OTHER PAYABLES AND ACCRUALS

	2009 HK$'000	2008 HK$'000
Trade payables	**12,081**	32,478
Other payables and accruals	**2,099**	5,359
	14,180	37,837

The following is an aged analysis of trade payables as at the reporting date:

	2009 HK$'000	2008 HK$'000
0-180 days	**12,081**	19,540
> 180 days	**–**	12,938
	12,081	32,478

Trade payables of approximately nil (2008: HK$12,899,000) were denominated in RMB, the currency other than the functional currency of the respective group entity.

21. OTHER BORROWINGS

The other borrowings represented loans borrowed from a former substantial shareholder. The amounts were unsecured, non-interest bearing and repayable on demand. The other borrowings had been disposed of upon the disposal of subsidiaries as disclosed in note 26.

22. SHARE CAPITAL

	Number of ordinary shares of HK$0.10 each 2009	2008	Nominal value 2009 HK$'000	2008 HK$'000
Authorised:				
At beginning and end of the year	**2,000,000,000**	2,000,000,000	**200,000**	200,000
Issued and fully paid:				
At beginning of the year	**143,668,365**	63,947,156	**14,367**	6,395
Conversion of convertible bonds *(note (i))*	**373,048,000**	9,721,209	**37,305**	972
Issue under placement *(note (ii))*	**25,000,000**	70,000,000	**2,500**	7,000
At end of the year	**541,716,365**	143,668,365	**54,172**	14,367

Notes:

(i) During the year, a total of 373,048,000 ordinary shares at par value of HK$0.1 each were issued as a result of the conversion of the 4.5% Bonds with aggregate principal amount of HK$37,304,800.

For the year ended 30 April 2008, a total of 9,721,209 ordinary shares at par value of HK$0.1 each were issued as a result of the conversion of the 4.5% Bonds with an aggregate principal amount of HK$1,227,700.

(ii) On 26 February 2009, the Company had entered into the subscription agreement with Prime Sun pursuant to which Prime Sun has conditionally agreed to subscribe for 25,000,000 new shares at a price of HK$0.125 per share. The transaction was completed on 3 March 2009.

On 16 May 2007, the Company had entered into the subscription agreement with Prime Sun pursuant to which Prime Sun has conditionally agreed to subscribe for 70,000,000 new shares at a price of HK$0.12 per share. The transaction was completed on 16 July 2007.

All the issued share rank pari passu in all respects including all rights as to dividends, voting and return of capital.

23. CONVERTIBLE BONDS

The Company issued two convertible bonds and details are set out as below:

(a) 4.5% mandatorily convertible bonds expire on 2009 (the "4.5% Bonds")

On 3 March 2006, the Company issued 4.5% Bonds at a par value of HK$44,838,400 which shall be converted to the Company's shares on or before the maturity date of 2 March 2009. The 4.5% Bonds are denominated in Hong Kong dollars. The bondholders have the right to convert their bonds into the Company's new ordinary shares at any time during the period from 3 March 2006 to 2 March 2009 at conversion price of HK$0.33 per convertible bond (subject to adjustment). If the 4.5% Bonds have not been converted on the maturity date, the outstanding convertible bonds will be automatically converted into ordinary shares.

The fair value of the liability component of the 4.5% Bonds is determined as the present value of future coupon interest payment discounted at the effective interest rate of 19.32% per annum on initial recognition. The difference between the proceeds of the issue of the instrument and the fair value assigned to the liability component is included in "convertible bonds reserve".

During the year ended 30 April 2008, the conversion price had been adjusted to HK$0.1 after the placement in May 2007 as disclosed in note 22. The financial impact resulted from the adjustment to the conversion price is set out in note 3.

The 4.5% Bonds were fully converted on 2nd March, 2009.

(b) 5% convertible bonds due on 2012 (the "5% Bonds")

On 17 July 2007, the Company issued 5% Bonds at a par value of HK$51,600,000 and a maturity date of 16 July 2012. The 5% Bonds are denominated in Hong Kong dollars. The bondholders have the right to convert their bonds into the Company's new ordinary shares at any time from the date of issue to the seventh day prior to the date of maturity at a conversion price of HK$0.12 per convertible bond (subject to adjustment). If the 5% Bonds have not been converted on the maturity date, the Company shall repay to the holder of the 5% Bonds for the principal amount of the outstanding convertible bonds held by the bondholders together with all accrued coupon interest.

The effective interest rate of the liability component of the 5% Bonds is 9.9% per annum.

The 5% Bonds contain two components, liability and equity elements. The equity element is included in "convertible bonds reserve".

All the 5% Bonds are held by Grand Promise as at 30 April 2008 and 2009. The 4.5% Bonds were held by Grand Promise as at 30 April 2008.

23. CONVERTIBLE BONDS *(Continued)*

The movement of the liability component of the convertible bonds during the year is set out below:

	4.5% Bonds HK$'000	5% Bonds HK$'000	Total HK$'000
At 1 May 2007	2,409	–	2,409
Proceeds from issue of 5% Bonds	–	51,600	51,600
Equity component	–	(9,766)	(9,766)
Liability component on initial recognition	–	41,834	41,834
Converted during the year	(117)	–	(117)
Interest expenses	871	3,355	4,226
Interest paid	(1,884)	(2,071)	(3,955)
At 30 April 2008	1,279	43,118	44,397
Converted during the year	(325)	–	(325)
Interest expenses	347	4,432	4,779
Interest paid	(1,301)	(2,729)	(4,030)
At 30 April 2009	–	44,821	44,821

24. SHARE OPTION SCHEME

Under the share option scheme adopted by the Company on 10 November 1998 (the "Old Scheme"), the board of directors of the Company may grant options to the full-time employees (including executive directors) of the Company or any of its subsidiaries. On 24 September 2004, a new share option scheme (the "New Scheme") was adopted by the Company and the Old Scheme was terminated. No further options can be offered under the Old Scheme. However, all other respects of the provisions of the Old Scheme shall remain in full force and holders of all options granted under the Old Scheme prior to such termination shall be entitled to exercise the outstanding options pursuant to the terms of the Old Scheme until expiry of the said options.

The purpose of the New Scheme provides incentives or rewards to the participants (including but not limited to employees, directors, suppliers and customers of the Group) ("Qualified Persons") for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Pursuant to this 10-year term New Scheme, the Company can grant options to the Qualified Persons for a consideration of HK$1.00 for each grant payable by the Qualified Persons. The total number of the shares issued and to be issued upon exercise of the options granted to each Qualified Person (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the shares then in issue. Pursuant to a resolution passed on the annual general meeting of the Company, dated 3 October 2008, the Company can grant up to 25,166,836 share options to the Qualified Persons.

24. SHARE OPTION SCHEME *(Continued)*

Subscription price in relation to each option pursuant to the New Scheme shall be not less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date on which the option is offered to a Qualified Persons; or (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the 5 trading days immediately preceding the date of offer; or (iii) the nominal value of the shares. There shall be no minimum holding period for the vesting or exercise of the options but the options are exercisable within the option period as determined by the Board of directors of the Company.

The Company did not grant any share options under the New Scheme during both years.

The following table discloses details of the Old Scheme held by employees (including directors) and movements in such holdings during both years.

				Number of options			
Grantee	Date of grant	Exercise price HK$	Exercisable period	Outstanding at 1 May 2007	Lapsed during the year	Cancelled during the year *(Note)*	Outstanding at 30 April 2008 and 30 April 2009
An executive director: Mr. Lau Kevin (Resigned on 28 August 2007)	24 June 2000	8.4	24 June 2000 to 9 November 2008	102,400	–	(102,400)	–
Employees in aggregate	18 February 2000	16.9	18 February 2000 to 9 November 2008	800	–	(800)	–
	3 July 2000	8.4	3 July 2000 to 9 November 2008	7,200	–	(7,200)	–
	5 July 2000	8.4	5 July 2000 to 9 November 2008	3,680	(1,280)	(2,400)	–
				114,080	(1,280)	(112,800)	–

Note:

In July 2007, Prime Sun, the former major shareholder of the Company made the general offer pursuant to the takeovers code to the shareholders (the "Option Offer"), the holders of the then existing convertible bonds and the holders of share options. The details of this is disclosed in the circular of the Company dated 20 July 2007. Prime Sun offered to pay HK$0.01 per share option in cash to the option holders in consideration of the cancellation of all the rights of the option holders in respect of such share options. On 13 August 2007, Prime Sun received acceptance from all the remaining option holders under the Option Offer.

25. DEFERRED TAXATION

The following are the major deferred tax liabilities/(assets) recognised and movements thereon during the current and prior year:

	Accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
At 1 May 2007	564	(564)	–
(Credit)/charge to consolidated income statement for the year	(564)	564	–
At 30 April 2008 and 2009	–	–	–

At the balance sheet date, the Group has estimated unused tax losses of approximately HK$5,057,000 (2008: HK$1,372,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the uncertainty of future profit stream.

26. DISPOSAL OF SUBSIDIARIES

As disclosed in note 13, on 28 October 2008, the Group discontinued its manufacturing and trading of adaptors and transformers operations by the disposal of certain subsidiaries referred to as the Disposal Group. The net liabilities of the Disposal Group at the date of disposal were as follows:

	HK$'000
Trade and other receivables and prepayments	548
Bank balances and cash	14
Trade and other payables and accruals	(15,991)
Other borrowings	(20,966)
Tax payable	(5,244)
	(41,639)
Gain on disposal of subsidiaries	41,640
Total consideration settled by cash	1
Net cash outflow arising on disposal of subsidiaries:	
Cash consideration	1
Bank balances and cash disposed of	(14)
	(13)

The impact of the Disposal Group on the Group's results and cash flows in the current and prior years is disclosed in note 13.

26. DISPOSAL OF SUBSIDIARIES *(Continued)*

During the year ended 30 April 2008, the net liabilities of the subsidiaries at the date of disposal were as follows:

	HK$'000
Property, plant and equipment	644
Trade and other receivables and prepayments	871
Bank balances and cash	68
Trade and other payables and accruals	(5,378)
Amounts due to the Group	(339,617)
	(343,412)
Write-off of amounts due from subsidiaries	337,415
Exchange gain realised	1,565
	(4,432)
Gain on disposal of subsidiaries	4,432
Total consideration settled by cash	–
Net cash outflow arising on disposal of subsidiaries:	
Bank balances and cash disposed of	(68)

The above subsidiaries disposed of during the year ended 30 April 2008 contributed approximately HK$499,000 to the Group's turnover and a loss of approximately HK$21,157,000 to be Group's loss before taxation for the year 2008.

27. OPERATING LEASE COMMITMENTS

The Group as lessee

At the balance sheet date, the Group had commitments for future minimum payments under non-cancellable operating leases in respect of rented properties which fall due as follows:

	2009 HK$'000	2008 HK$'000
Within one year	**588**	–
In the second to fifth year inclusive	**588**	–
	1,176	–

Leases are negotiated for a term of two years and rentals are fixed for the lease term.

28. RETIREMENT BENEFITS SCHEME

Since 1 December 2000, the Group has operated pension schemes under the rules and regulations of the Mandatory Provident Fund Schemes Ordinance ("MPF Scheme") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately in an independently managed fund. The Group has followed the minimum statutory contribution requirements of 5% of eligible employees' relevant income with a cap of HK$1,000 per employee per month. The contributions are charged to the consolidated income statement as incurred.

For the year ended 30 April 2008, the employees of the subsidiaries in the PRC were members of the pension schemes operated by the PRC government. The relevant PRC subsidiaries were required to contribute a certain percentage of the relevant portion of these employees' basic salaries to the pension to fund the benefits. The only obligations of the relevant PRC subsidiaries with respect of the pension scheme were the required contributions under the pension scheme.

The total cost charged to the consolidated income statement of HK$28,000 (2008: HK$138,000) represents contributions payable to the schemes by the Group at rates specified in the rules of the schemes.

29. MAJOR NON-CASH TRANSACTION

During the year, the holder of convertible bonds with principal amount of HK$37,304,800 (2008: HK$1,227,600) had converted into 373,048,000 (2008: 9,721,209) Company's shares. Details had disclosed in note 22 to the consolidated financial statements.

30. RELATED PARTY TRANSACTIONS

(a) Details of transactions with related companies are as followed:

(i) During the year, the Company recognised interest expenses on convertible bonds of HK$4,432,000 (2008: HK$3,355,000) which are held by Grand Promise, the former ultimate holding company of the Group up to 22 April 2009.

(ii) During the year ended 30 April 2008, the Company paid interest expenses of HK$983,000 to a former major shareholder, Fine Asset Ltd., which is 100% beneficially held by Mr. Lo Kit Sing, Steven, the former director of the Group.

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2009 HK$'000	2008 HK$'000
Salaries and other short term employee benefits	**910**	1,939
Retirement benefit costs	**12**	25
	922	1,964

The remuneration of directors and key executives is determined having regard to the performance of individuals and market trends.

31. POST BALANCE SHEET EVENTS

The following events took place subsequent to the balance sheet date:

(a) On 13 April 2009, the Company entered into an agreement pursuant to which 2% coupon convertible notes at a par value of HK$44,417,600 with a maturity date falling three years from their date of issue shall be issued to Front Riches Investment Limited ("Front Riches"), a company incorporated in the BVI with limited liability and wholly and beneficially owned by Mr. Hu Yishi, the controlling shareholder of the Group. The bondholder has the right to convert the convertible bond into the Company's ordinary shares at any time during the period from the date of issue to the maturity date at a conversion price of HK$0.184. Details had been disclosed in the Company's circular dated 13 May 2009.

(b) On 14 May 2009, the 5% convertible notes held by Grand Promise as disclosed in note 23 were offered to Front Riches under a general offer for the convertible notes by Front Riches according to an irrevorable undertaking given by Grand Promise at the entering of the sale and purchase agreement dated 13 April 2009. Details had been disclosed in a composite offer and response document dated 13 May 2009 and the Company's announcement dated 3 June 2009.

32. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

The following table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of directors, result in particulars of excessive length.

Name of subsidiary	Country/ place of incorporation or registration	Principal place of operation	Nominal value of issued/ registered capital	Proportion of nominal value of issued/registered capital directly held by the Group 2009	2008	Principal activities
Mei Ah Industrial Limited *(note)*	Hong Kong	Hong Kong	HK$10,000	–	100%	Manufacturing and trading of adaptors, transformers and other electrical products
Mei Ah Electrical & Industry (HK) Limited *(note)*	Hong Kong	Hong Kong	Ordinary HK$90, non-voting deferred HK$1,000,000	–	100%	Manufacturing and trading of adaptors, transformers and other electrical products
Mei Ah Management Services Limited *(note)*	Hong Kong	Hong Kong	HK$2	–	100%	Provision of management services to group companies
Silver Pearl International Limited	Hong Kong	Hong Kong	HK$2	**100%**	100%	Trading of copper concentrate and electrical products

Note: The companies were disposed of during the year ended 30 April 2009.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

FINANCIAL SUMMARY

RESULTS

	Year ended 30 April				
	2005 HK$'000	2006 HK$'000	2007 HK$'000	2008 HK$'000 (restated)	**2009** **HK$'000**
Revenue	128,968	33,661	26,396	35,395	**23,546**
(Loss)/profit before taxation	(39,752)	(49,964)	(54,672)	(74,848)	**31,226**
Taxation	–	–	–	(5,287)	**–**
(Loss)/profit for the year	(39,752)	(49,964)	(54,672)	(80,135)	**31,226**

ASSETS AND LIABILITIES

	At 30 April				
	2005 HK$'000	2006 HK$'000	2007 HK$'000	2008 HK$'000	**2009** **HK$'000**
Total assets	50,938	38,294	22,186	32,589	**17,690**
Total liabilities	(59,929)	(36,325)	(74,647)	(108,487)	**(59,001)**
	(8,991)	1,969	(52,461)	(75,898)	**(41,311)**