2018|19 ANNUAL REPORT

YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. FANG Hung, Kenneth, GBS, JP
Mr. LI Kwok Wai, Frankie
Mr. LEUNG Tze Kuen
Mr. Fang Yan Tak, Douglas#
Mr. TIEN Pei Chun, James, GBS, JP*
Mr. CHU Chi Wai, Allan*
Mr. LAU Yuen Sun, Adrian*

non-executive director
* *independent non-executive director*

COMPANY SECRETARY

Mr. Lau Siu Ki, Kevin

AUDITOR

Deloitte Touche Tohmatsu

REGISTERED OFFICE

Canon's Court, 22 Victoria Street, Hamilton,
HM 12, Bermuda
(will be relocated to
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda
with effect from 15th July, 2019)

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7th Floor
On Dak Industrial Building
2-6 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

Estera Management (Bermuda) Limited
Canon's Court, 22 Victoria Street, Hamilton,
HM 12, Bermuda
(will be relocated to
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda
with effect from 15th July, 2019)

BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
(will be relocated to
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
with effect from 11th July, 2019)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

BNP Paribas
Hong Kong Branch
59-63/F Two International Finance Centre
8 Finance Street
Central
Hong Kong

Bank of China (Hong Kong) Limited
23/F, Bank of China Centre
Olympian City
11 Hoi Fai Road
West Kowloon
Hong Kong

Citibank, N.A.
47th Floor, Citibank Tower
Citibank Plaza
3 Garden Road
Hong Kong

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

FANG Hung, Kenneth, GBS, JP, aged 80, is the Chairman of the Group responsible for overall corporate development and strategic direction of the Group. Mr. Fang holds a master degree in Chemical Engineering from the Massachusetts Institute of Technology. He is the Chairman of Fang Brothers Holdings Limited and a director of a number of other private companies in Hong Kong and People's Republic of China. Mr. Fang is the father of Mr. Fang Yan Tak, Douglas, a Non-executive Director of the Company. Mr. Fang joined the Company as a Director in August 1995.

LI Kwok Wai, Frankie, aged 61, is the Chief Executive Officer of the Group responsible for planning and developing corporate strategies, corporate policies setting and overall management of the Group. He is also a director of various subsidiaries of the Company. Mr. Li graduated from the Hong Kong University majoring in Business Management and has substantial experience in banking and corporate finance. Mr. Li joined the Group in November 1995.

LEUNG Tze Kuen, aged 56, is responsible for the planning and developing finance strategies, direct investment management and policy setting of the Group. He is also a director of various subsidiaries of the Company. Mr. Leung graduated from the Chinese University of Hong Kong majoring in Accounting. He also holds a MBA degree from Monash University, Australia. He is now a member of CPA Australia. He has extensive experience in operational and financial management. Mr. Leung was appointed as an Executive Director of the Company in September 2007.

NON-EXECUTIVE DIRECTOR

Fang Yan Tak, Douglas, aged 46, is currently a director at Fang Brothers Holdings Limited ("Fang Brothers") and its various affiliated companies. Prior to joining Fang Brothers, he worked at Donaldson, Lufkin & Jenrette, an investment bank in the United States of America. Mr. Fang received his Bachelor of Science degree from the Massachusetts Institute of Technology in 1995. Mr. Fang is the son of Mr. Fang Hung, Kenneth, the Chairman of the Group. Mr. Fang was appointed as a Non-executive Director in June 2014.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. TIEN Pei Chun, James, GBS, JP, aged 72, holds a master degree in Chemical Engineering from San Jose State University. Mr. Tien is the Chairman of Manhattan Holdings Limited, Manhattan Garments (International) Limited, Manhattan Realty Limited and a director of a number of private companies. He is an honorary court member of the Hong Kong Polytechnic University, an honorary chairman of the Yan Chai Hospital Advisory Board and a council member of The Hong Kong General Chamber of Commerce. Mr. Tien joined the Company as an Independent Non-executive Director in June 1997.

CHU Chi Wai, Allan, aged 67, has over 47 years' experience in the electronics industry. Mr. Chu is the Executive Director of Fairable Investment Limited which is an investment holding company. Mr. Chu joined the Company as an Independent Non-executive Director in August 1998.

LAU Yuen Sun, Adrian, aged 64, holds a Bachelor Degree in Commerce from the University of Windsor, Canada and has years of experience in banking and investment. Mr. Lau had worked for the National Bank of Canada as the vice president of Asia region as well as the branch manager of the Hong Kong branch from September 1994 to December 1996. He has served directorships in various listed companies in Hong Kong. Mr. Lau joined the Company as an Independent Non-executive Director in May 2004.

DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

LAU Siu Ki, Kevin, aged 60, is the Company Secretary of the Group. Mr. Lau graduated from the Hong Kong Polytechnic and is a fellow member of both the Association of Chartered Certified Accountants as well as the Hong Kong Institute of Certified Public Accountants. He has extensive experience working in or with listed companies in Hong Kong. Mr. Lau joined the Company in May 2004.

SENIOR MANAGEMENT

HAN Yu Zhong, aged 62, is the President responsible for the overall Liquid Crystal Displays ("LCD") and Liquid Crystal Display Modules ("LCM") business operation. Mr. Han's experience has predominantly been gained in LCD manufacturing and business operations and has capitalized his experience therefrom to carry out the Group's business expansion plan. Mr. Han joined the Group in 1990.

JIA Xiu Juan, aged 56, is the Vice President responsible for the financial management of LCD and LCM business. Ms. Jia has extensive experience in accounting and taxation. She graduated from Guangdong Academy of Social Sciences in the People's Republic of China ("PRC") with a postgraduate diploma. Ms. Jia joined the Group in 1999.

HUANG Wen Huei, aged 44, is the Vice President and the General Manager of the branch office in Taiwan. Mr. Huang is responsible for the sales and marketing in Japan, Taiwan and Chongqing markets, the quality management of LCD factory, and the product development, production technology engineering and quality management of monochrome and Thin Film Transistor ("TFT") LCD modules. Mr. Huang obtained the Bachelor of Chemical Engineering in National Taiwan University, and the Master of Business Administration in FuJen Catholic University. He has over 17 years' experience in customer service and market operations of LCD and LCM products. Mr. Huang joined the Group in 2004.

TSUI Siu Keung, aged 45, is the Vice President responsible for the sales and marketing in Hong Kong, the PRC and overseas markets. Mr. Tsui graduated from the Hong Kong Polytechnic University with a degree in manufacturing engineering. Mr. Tsui has over 19 years' experience in customer service management, sales and marketing. Mr. Tsui joined the Group in 2000.

Yang Zhao Hui, aged 47, is the Vice President responsible for the management of the factory's power system, production equipment, Capacitive Touch Panel ("CTP") and the Indium Tin Oxide ("ITO") glass production. He has extensive experience in LCD, ITO glass and CTP manufacturing, maintenance and management of automation equipment, process management of magnetic control spluttering coating and project management. He joined the Group in 2004.

WAN Wai Tak, aged 67, is the Senior Vice President responsible for global marketing. Mr. Wan is one of the forerunners in the LCD industry in Hong Kong with over 40 years' experience in engineering and marketing of LCD products. Mr. Wan has a bachelor's degree in Electrical Engineering from National Cheng Kung University in Taiwan and a master degree in Physics from Brunel University in the United Kingdom. He is a chartered physicist with membership in the Institute of Physics in the United Kingdom. Mr. Wan joined the Group in 1988.

Xie Wen Zhen, aged 48, is the Senior Manager responsible for the purchases of LCD, LCM and CTP and the material control. Ms. Xie graduated from Shaanxi University of Science & Technology with a Bachelor's Degree in Engineering. Ms. Xie joined in the Group in 2001.

YANG Ying Jun, aged 52, is the Senior Manager and the Chief Accountant of the Group. Mr. Yang has extensive experience in finance and accounting. He graduated from Xi'an University of Technology with a Bachelor's Degree. He is a member of both the Chinese Institute of Certified Public Accountants and the China Certified Tax Agents Association. He is an affiliate of the Association of Chartered Certified Accountants. He joined the Group in 2005.

LIU Xiu Zhen, aged 51, is the Senior Manager responsible for the information technology, human resources, administration of the LCD and LCM factories. Ms. Liu has broad experience in systematization of factory management, and holds the Certified Human Resources Professional, Grade 1. Ms. Liu graduated from Hua Zhong University of Science and Technology in PRC with a Bachelor's Degree in Engineering. Ms. Liu joined the Group in 1993.

Xiong Liang Bin, aged 45, is the Senior Manager responsible for Eastern China market and certain overseas markets. Mr. Xiong graduated from Nanjing Institute of technology. Mr. Xiong has 22 years experience in LCD and LCM manufacturing, quality control and marketing. Mr. Xiong has strong technical knowledge in Twisted Nematic ("TN"), Super-Twisted Nematic ("STN"), LCM, and TFT. Mr. Xiong joined the Group in 1996.

Wu Hong Jin, aged 50, is the Senior Manager responsible for the factory management in Guangxi province. Mr. Wu has 28 years experience in LCD industry. He graduated from South China Normal University and joined the Group in 2013.

LIN Tsui Ping, aged 53, is the Senior Manager responsible for the research and development operations LCD factory. Ms. Lin holds a master degree in Chemistry from National Cheng Kung University in Taiwan. She specializes in product development and manufacturing process and has over 27 years' experience in the development and production of LCD products. Ms. Lin joined the Group in 2003.

LIM Bee Lay, aged 70, is the Senior Manager responsible for quality assurance on LCD and LCM products, liaising with supplier and customer on quality improvement and maintaining ISO system function. Ms. Lim has more than 35 years' experience in LCD field in Singapore, Malaysia and PRC. Ms. Lim joined the Group in 2005.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I take pleasure in presenting to our shareholders the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2019.

For the year under review, the Group recorded a decrease in consolidated turnover of 2% to HK$934 million and the profit attributable to owners of the Company increased by approximately HK$168 million to HK$289 million. The increase in profit was mainly due to the non-recurring gain on disposal of all the equity interests in Kunshan Visionox Display Co. Ltd. ("Kunshan Display"), a then 43.87% owned associate of the Group during the year.

The core business of the Group faced a challenging trading environment this year. The continuation of the Sino-US trade war has cast uncertainties over the demand for electronic products and components importing into the United States from the People's Republic of China ("PRC"). Nevertheless, our committed strategy to diversify our market and customer base will mitigate the impact to the Group. The Group will strive to capture the module business by focusing the marketing and product development effort on Liquid Crystal Display Modules "LCM", Thin Film Transistor "TFT" modules and TFT-Capacitive Touch Panel modules. This strategy will increase market share in the high-value segment and also enhancing the profitability of the Group.

The Group's share of profit from Nantong Jianghai Capacitor Company Ltd ("Nantong Jianghai"), a 31.84% owned associate, increased by HK$13 million to HK$89 million.Under the persistent and unified efforts of the Nantong Jianghai management team, Nantong Jianghai is set to sustain its market leading position in PRC. With its commitment in research and product development, optimising production process and vertical integration, Nantong Jianghai has emerged as a broad range capacitor provider. In terms of production capabilities, it encompasses traditional aluminium electrolytic capacitors and the newly developed thin film capacitors, supercapacitors, polymer and multi-layer polymer capacitors. On the market front, it covers both industrial and consumer markets with small to large size and low to high voltage capacitors. For vertical integration, it possesses the ability to produce high quality and reliable aluminium etched and formed foil; and coated foil which are key raw materials for high voltage performance capacitors. During the year, Nantong Jianghai adopted an employee share award scheme. It is contemplated that the scheme is instrumental in helping Nantong Jianghai to sustain growth in profitability, asset and shareholders' value in the future.

In August 2018, the Group entered into agreements with Kunshan Govisionox Optoelectronics Co. Ltd., the then largest shareholder of Kunshan Display, to dispose of its entire interest in Kunshan Display for a consideration of RMB220 million. Kunshan Display was then holding certain patents, knowhow and trademarks of Organic Light-Emitting Diode ("OLED"). The transaction was duly completed and a one-off gain before taxation of approximately HK$244 million was recorded during the year. Meanwhile, the Group is still committed to its investment in the OLED business by holding 35.1% in Kunshan Visionox Technology Co. Ltd. ("Kunshan Technology") which is mainly engaged in the sales and manufacturing of OLED products. The Group takes the view that the OLED market will continue to grow prosperously and under a strong and competent management team, Kunshan Technology will sustain its competitive edge in the market. Leveraging on its solid and well-established research and development platform, Kunshan Technology has plans to diversify into OLED technological-related business arena.

Looking forward, the display business will be operating under a difficult trading environment. The economic uncertainties arising from the Sino-US trade war, intensive price competition, and fluctuation of RMB are the key challenges to the Group. We will continue to strengthen our product development capabilities to capture new market segments and optimise our production processes via automation to further enhance productivity and improve production yield. We will strive our best to enhance our profitability in the coming year.

On behalf of the board of Directors, I would like to take this opportunity to express our gratitude to our staff for their dedication and to our shareholders for their support.

Fang Hung, Kenneth
Chairman

Hong Kong, 28th June, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The Group recorded a consolidated turnover for the year ended 31st March, 2019 of approximately HK$934 million (2018: HK$954 million), a decrease of HK$20 million or 2% as compared with last year. Profit attributable to owners of the Company was HK$289 million (2018: HK$121 million), representing an increase of approximately HK$168 million. The increase in profit was mainly due to the gain on disposal before taxation of the Group's entire equity interest in Kunshan Visionox Display Co. Ltd., a formerly an 43.87% owned associate, of HK$244 million. After deducting the relevant amount of taxation and non-controlling interests, the portion of such gain attributable to owners of the Company was HK$194 million. If the above-mentioned one-off gain was excluded, the profit attributable to owners of the Company would have been HK$95 million, representing a decrease of 21% over last year.

External sales of the Liquid Crystal Displays ("LCD") decreased by HK$18 million, from HK$271 million to HK$253 million. Such decrease was mainly attributable to the fall in demand in LCD and tightening of credit policy. The LCD segment recorded a profit of HK$12 million which was kept at the same level as last year. Turnover of Liquid Crystal Display Modules ("LCM") decreased by HK$29 million, from HK$630 million to HK$601 million, and the LCM segment recorded a segment profit of HK$46 million as compared with HK$41 million of last year. The growth in profit was mainly contributed by the strong Thin Film Transistor ("TFT") module business and the improvement in the production yield and reduction of the material cost. The LCD-related products segment was related to Capacitive Touch Panel ("CTP") and CTP modules, which recorded a segment sales of HK$80 million (2018: HK$53 million) and loss of HK$2 million (2018: HK$3 million). The sales of CTP were boosted up by the TFT-CTP modules which commanded a high sales value and led to the decrease of segment loss from HK$3 million to HK$2 million, despite the performance of CTP line of business has been affected by the increase in provision of slow-moving stock.

In the year under review, despite the decrease in sales, the gross profit increased to HK$144 million (2018: HK$138 million), up by approximately HK$6 million whereas the gross profit margin improved from 14% to 15%. The increase in gross profit margin was mainly due to multiple reasons: (1) the cost control measures implemented has reduced the overhead cost; (2) the production automation programs which has increased the labour efficiency and (3) the enhancement in the efficiency in production process which has uplifted the production yield.

During the year, other income amounted to approximately HK$12 million (2018: HK$11 million). The other income mainly comprised tooling income, scrap sales, interest income and government grant.

Net gain from other gains and losses for current year was mainly attributable to exchange gain.

Selling and distribution expenses amounted to approximately HK$72 million (2018: HK$71 million) representing at 8% of turnover (2018: 7%). The increase was mainly due to the increase in staff costs and promotion expense.

Administrative expenses amounted to HK$29 million (2018: HK$34 million), which decreased by HK$5 million from last year and represented 3% of sales (2018: 4%). The reduction was mainly due to the decrease in costs related to the vesting of shares under the restricted shares award scheme.

INVESTMENTS IN ASSOCIATES

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

Nantong Jianghai, a 31.84% associate of the Group, is mainly engaged in the manufacture and sales of aluminium electrolytic, thin firm and super capacitors, and the production and sales of aluminium formed foil for high-performance aluminium electrolytic capacitors. The share of profit from Nantong Jianghai for the current year increased from HK$76 million to HK$89 million, representing an increase of HK$13 million or 17%.

By leveraging on its well-established brand image, technology prowess and a comprehensive product chain, Nantong Jianghai capitalized on the business opportunities of conventional high-voltage large capacitor market as well as increased its market share and coverage in thin film and super capacitor market.

During the year, the aluminium electrolytic capacitor competitive advantage was further strengthened by optimizing its product performance. This was realized by two remarkable achievements in the aluminium foil etching and forming capabilities. Firstly, by adopting the latest technology, a new etching foil production line was installed which possesses the ability to target at the high efficient high-voltage aluminium electrolytic capacitor. Secondly, the production facilities of the aluminium foiling were expanded and upgraded to produce highly reliable and high voltage aluminium foil.

During the year, the thin film capacitor business segment grew progressively. To further uplift its profitability, systematic production cost reduction measures were implemented. At the same time, continued research and development in new energy, power grids, electric vehicles and military applications have facilitated the business development progress.

Supercapacitors have made positive strides in several major fields such as automotive, wind power, data centers, elevators, smart grids, power tools, consumer electronics, and military industries. The new supercapacitor production factory is under construction, which is expected to complete in 2019.

The construction of the new factory in Hubei province which manufactures small-sized aluminium electrolytic capacitors, polymer capacitors and multi-layer polymer capacitors was on schedule and pilot production has commenced.

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

In recent years, Kunshan Display has transferred its business in the development, manufacturing and selling of Organic Light Emitting Diodes (“OLED”) products to Kunshan Technology and possessed a number of knowhow, patents and trademarks.

On 10 August 2018, Faith Crown International Limited and Crown Capital Holdings Limited (both subsidiaries of the Company) respectively entered into agreement with Kunshan Govisionox Optoelectronics Co., Ltd (the then largest shareholder of Kunshan Display) to sell an aggregate of 43.87% equity interest in Kunshan Display (representing the Group’s entire equity interest therein) for a consideration of approximately RMB220 million. The disposal has been completed, and the Group has recorded a gain on disposal, before taxation, of approximately HK$244 million. Kunshan Display has ceased to be an associate of the Group in the later period of the second half year.

The share of profit in Kunshan Display and Kunshan Technology which is mainly engaged in sales and manufacture of OLED, amounted to HK$27 million as compared to HK$20 million in last year. The OLED business performance fared well this year. The continuous effort in enhancing the production efficiency and yield has led to an increase in profit margin and production volume in the year under review. Thanks to the diversification strategy, the market coverage is well spread including the white-goods market, industrial instrument, medical equipment, telecommunication equipment, mobile payment device, security lock and smart home devices, and wearables. In the year under review, an other expense representing a bonus of approximately HK$65 million was awarded to the management of Kunshan Technology for their contribution to the satisfactory performance of and their continual support to Kunshan Technology in the future.

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

Zaozhuang Electronic, a 40% associate of the Group, is situated in the Shandong Province. It is mainly engaged in the manufacture and sales of flexible printed circuits (“FPC”) and OLED related materials. In the year under review, the Group’s share of profit amounted to HK$8 million, an increase of HK$5 million, which were contributed by subcontracting income and government grant. The new FPC factory is in the process of setting up and is expected to be completed in early 2020.

INCOME TAX

Effective tax rate in relation to the Group’s core business (income tax expense excluding the portion related to gain on disposal of an associate and withholding tax on undistributed profits in associates as a percentage of profit before income tax excluding results relevant to associates (comprising the share of results of associates, gain on disposal of an associate and other expenses)) was 26% (2018: 18%). The increase was mainly due to a Hi-tech Enterprise status of a PRC subsidiary of the Group has not been approved during the year resulting in revising the enterprise income tax rate from 15% to 25%.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of factors affecting the results and business operations of the Group. The most significant risk is the uncertainty in the economic environment, both globally and in Mainland China, especially after Britain's decision to leave the European Union and the continuous trade disputes between the United States and China. Intense competition in the displays market will also affect the profitability of the Group. Moreover, the shortage of labour and increase in wage rate may also have an impact on the cost structure of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group takes corporate social responsibility to heart, and environmental sustainability is one of its top priorities. The Group has put in place a systematic approach towards integrating green and sustainable practices in its operations, implementing measures in the areas of environmentally-friendly product design, carbon emission reduction, process management, energy and resource management and supply chain management to minimize the negative impact of the Group's operations on the environment. Environmental protection facilities in the Group's manufacturing plants have been upgraded, enhancing the processing and management of wastewater, gas emissions, general waste and recycled materials.

Details of the Group's strategies, efforts and performance with respect to environment, social and governance ("ESG") for the year ended 31st March 2019 are set out in the Group's ESG Report, which will be uploaded onto the websites of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company by the end of October 2019.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's operations are mainly carried out in Mainland China and Hong Kong, and the Company was incorporated in Bermuda and its shares listed on the Stock Exchange. During the year under review, the Group has complied with all the laws and regulations in the above-mentioned jurisdictions.

RELATIONSHIP WITH KEY STAKEHOLDERS

Human resources are one of the greatest assets of the Group and the Group regards the personal development of its employees as utmost important. It is the objective of the Group to continue to be an attractive employer for committed employees. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. In addition, the Group offers competitive remuneration packages to the employees. The Group has also adopted a share award scheme to recognise and reward the contribution of the employees to the growth and development of the Group.

The Group has developed long-standing relationships with a number of suppliers and take great care to ensure that they share the Group's commitment to quality and ethics. The Group also carefully selects its suppliers of manufacturing and require them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is committed to offer a broad and diverse range of value-for-money, good-quality products to its customers.

Management believes that the above objectives will help in enhancing the value of the Company for its shareholders (the "Shareholders").

PROSPECTS

Looking forward, the display market will be overcast by Sino-US trade dispute. Customers' inventory policy will continue to be cautious and prudent. It will prompt the market players to adopt an aggressive pricing to capture sales. To combat the anticipated market conditions, we have adopted measures to position as a competitive player. We have upgraded our LCD production line to enhance the production capacity and yield. Cost control measures will be implemented to reduce the raw material purchase cost and operating costs. The Group will promote products with high added-value feature and strengthen new product development to increase both the turnover and the profit margin. On the other hand, Nantong Jianghai and Kunshan Technology will continue to make lucrative contribution to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March 2019, the Group's current ratio was 2.1 (2018: 1.3). The gearing ratio, as a ratio of bank borrowings to net worth, was nil (2018: 3.2%).

As at 31st March, 2019, the Group had total assets of approximately HK$2,327 million, which were financed by liabilities of HK$383 million and total equity of HK$1,944 million.

As at 31st March, 2019, the Group's banking facilities amounted to approximately HK$163 million (2018: HK$222 million) of which approximately HK$0.2 million (2018: HK$59 million) were utilized mainly for issuance of letters of credit, short term loan and bills payable.

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

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

The Group did not have any significant contingent liabilities and there were no significant charges or pledges on any of the Group's assets as at 31st March, 2019.

EMPLOYMENT AND REMUNERATION POLICY

The remuneration package for the Group's employees is structured by reference to market terms and industry's practice. Discretionary bonus and other performance reward are based on the financial performance of the Group and the performance of individual staff. Staff benefit plans maintained by the Group include mandatory and voluntary provident fund scheme and medical insurance.

The Company has adopted a restricted share award scheme (the “Scheme”) pursuant to which shares of the Company will be purchased by an independent trustee from the market and held in trust for the participants of the Scheme, including employees or consultants engaged by any member of the Group, until such shares are vested with the relevant participants in accordance with the provisions of the Scheme. The purpose of the Scheme is to act as an incentive to retain and encourage the participants for the continual operation and development of the Group.

MAJOR CUSTOMERS AND SUPPLIERS

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

	2019	2018
Percentage of purchases from the Group’s largest supplier	**6%**	5%
Percentage of purchases from the Group’s five largest suppliers	**21%**	19%
Percentage of turnover to the Group’s largest customer	**4%**	4%
Percentage of turnover to the Group’s five largest customers	**15%**	15%

As a result of the diversification in both customers and suppliers, the Group had no material concentration risk in both sales and sourcing.

As at 31st March, 2019, to the best knowledge of the Directors, none of the Directors or any Shareholders holding more than 5% of the Group’s share capital and their respective associates had any beneficial interest in the Group’s five largest customers and/or five largest suppliers.

DIVIDEND

After the end of the year, on 8th April, 2019 the Directors declared a special dividend of HK10 cents per share (2018: nil) for the year ended 31st March, 2019, a total distribution of approximately HK$99,964,000, which has been paid to the Shareholders whose names appeared on the register of members of the Company on 30th April, 2019.

The Board of Directors has resolved to recommend the payment of a final dividend of HK5 cents per share (2018: HK5 cents per share) for the year ended 31st March, 2019 subject to the approval of the Shareholders at the forthcoming annual general meeting. The final dividend will be paid on or about Friday, 11th October, 2019 to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 4th October, 2019.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Tuesday, 24th September, 2019 ("Annual General Meeting"). For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 19th September, 2019 to Tuesday, 24th September, 2019, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (which address will be changed to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 11th July, 2019) for registration not later than 4:30 p.m. on Wednesday, 18th September, 2019.

The proposed final dividend is subject to the approval of the Shareholders at the Annual General Meeting. For determining the entitlement to the proposed final dividend the register of members of the Company will be closed on Wednesday, 2nd October, 2019 to Friday, 4th October, 2019, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, for registration not later than 4:30 p.m. on Monday, 30th September, 2019.

CORPORATE GOVERNANCE PRACTICES

The board of directors of the Company (the "Board") believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. Throughout the year ended 31st March, 2019, the Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code") listed out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, except for following deviation:

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

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

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the year ended 31st March, 2019.

BOARD OF DIRECTORS

The Board comprises:

Executive Directors

Mr. Fang Hung, Kenneth, GBS, JP *(Chairman)*
Mr. Li Kwok Wai, Frankie *(Chief Executive Officer)*
Mr. Leung Tze Kuen

Non-executive Director

Mr. Fang Yan Tak, Douglas

Independent Non-executive Directors

Mr. Tien Pei Chun, James, GBS, JP
Mr. Chu Chi Wai, Allan
Mr. Lau Yuen Sun, Adrian

Mr. Fang Hung, Kenneth is the father of Mr. Fang Yan Tak, Douglas. Except for the above, the Board members have no financial, business, family or other material or relevant relationships with one another. Such balanced board composition is formed to ensure strong independence exists across the Board. The Board has also met the Listing Rules' requirement to have at least one-third in number of its members comprising Independent Non-executive Directors.

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

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

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

Apart from the regular Board meetings, the Chairman also held a meeting with all the Independent Non-executive Directors during the year.

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

Every Board member is entitled to have access to board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, and also the liberty to seek external professional advice if so required. The Company from time to time provides briefings, training sessions and materials to the Directors to develop and refresh their knowledge and skills including updates on the latest development regarding the Listing Rules and other applicable legal and regulatory requirements to enhance their awareness of the same. The Board continuously reviews and monitors the Company's corporate governance and practice to ensure compliance of regulatory requirements and up keeping of good practices.

The Board is responsible for formulating overall strategy, monitoring and controlling the performance of the Group. In addition to its overall supervisory role, the Board also retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc whilst managing the Group's business is the responsibility of the management of the Group (the "Management").

When the Board delegates aspects of its management and administration functions to the Management, it has given clear directions, in particular, with respect to the circumstances where the Management shall report back and obtain prior approval from the Board before making decisions or entering into any commitment on behalf of the Company.

Every newly appointed Director will receive formal, comprehensive and tailored induction on appointment to ensure appropriate understanding of the business and governance policies and operations of the Group and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. This understanding is deepened and continued by the Directors' participation in Board meetings and their work on various committees.

The Directors are regularly updated and apprised of any new regulations and guidelines, as well as any amendments thereto issued by the Stock Exchange, the Securities and Futures Commission of Hong Kong and the Hong Kong Companies Registry, particularly the effects of such new or amended regulations and guidelines on directors. Relevant reading materials are also provided to the Directors. On an ongoing basis Directors are encouraged to keep up to date on all matters relevant to the Group and attend briefings and seminars as appropriate. All Directors have provided the Company with their respective training records pursuant to the Code.

Chairman and Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are segregated and assumed by separate individuals who have no relationship with each other, to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual. The Chairman focuses on overall corporate development and strategic direction of the Group, and provides leadership for, and oversees the effective functioning of, the Board. The Chief Executive Officer is responsible for the day-to-day corporate management as well as planning and developing the Group's strategy.

Nomination of Directors

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

According to the Bye-Laws, notice in writing of the intention to propose a person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office of the Company at least seven days before the date of the general meeting, or else no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting.

The period for lodgment of the notices referred to above will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.

In evaluating and selecting any candidate for directorship, the following criteria should be considered:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge, experience and diversity aspects under the Board diversity policy that are relevant to the Company's business and corporate strategy;
- any measurable objectives adopted for achieving diversity on the Board;
- requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s); and
- such other perspectives that are appropriate to the Company's business and succession plan that may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning.

The Nomination Committee, upon receipt of the proposal on appointment of new Director and the biographical information of the candidate, will evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship and made recommendation to the Board to appoint the candidate for directorship.

Appointment and Re-election of Directors

Code provision A.4.1 of the Code stipulates that non-executive directors should be appointed for a specific term and subject to re-election. The existing Independent Non-executive Directors are not appointed for a specific term, but subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the bye-laws of the Company (the "Bye-laws"). The Board does not believe that arbitrary term limits on the Directors' services are appropriate given that Directors ought to be committed to representing the long-term interests of the shareholders. According to the Bye-laws, at each annual general meeting of the Company one third of the Directors for the time being (and if the number of Directors is not three or a multiple of three, then the number nearest to but not less than one third) shall retire by rotation. This complies with the provision A.4.2 of the Code which requires all Directors to be subject to retirement by rotation at least once every three years.

With respect to the re-election of Directors at the annual general meeting, the Nomination Committee will review the overall contribution and services to the Company of the retiring Directors and the level of participation and performance on the Board to determine whether the retiring Directors would continue to meet the criteria as set out above and made recommendation to the Board in respect of the proposed re-election of Directors at the general meeting. The relevant information of the retiring Directors together with the recommendation of the Board would then be disclosed in the circular accompanying the notice of the general meeting and sent to shareholders in accordance with the Listing Rules and applicable laws and regulations.

BOARD COMMITTEES

The Board establishes committees to assist it in carrying out its responsibilities. The Board has appointed three Board committees i.e. the Nomination Committee, Remuneration Committee and Audit Committee to oversee particular aspects of the Group's affairs. Each of the committees has defined terms of reference setting out its duties, powers and function. The committees report regularly to the Board and, where appropriate, make recommendations on matters discussed.

Nomination Committee

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

The Nomination Committee shall meet at least once a year. One meeting was held during the year ended 31st March, 2019. All committee members attended the meeting.

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

1. To review the size, structure and composition (including the skill, knowledge, experience and diversity of perspective) of the Board.

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

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

4. To make recommendation to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

5. To review the Board Diversity Policy as and when necessary and monitor its implementation.

Remuneration Committee

The Remuneration Committee was established on 27th May, 2005. The Committee comprises Mr. Lau Yuen Sun, Adrian and Mr. Chu Chi Wai, Allan, both Independent Non-executive Directors and Mr. Li Kwok Wai, Frankie, Executive Director and Chief Executive Officer. Mr. Lau Yuen Sun, Adrian, was appointed as Chairman of the Remuneration Committee. The written terms of reference stipulating the authority and duties of the Remuneration Committee conform to the provisions of the Code and are posted on the websites of the Stock Exchange and the Company.

The Remuneration Committee shall meet at least once a year. Two meetings were held during the year.

The attendance of each member is set out as follows:

Name of Directors	Number of Meetings Attended
Mr. Lau Yuen Sun, Adrian	2/2
Mr. Li Kwok Wai, Frankie	2/2
Mr. Chu Chi Wai, Allan	2/2

The remuneration policy of the Group is to ensure all its employees are remunerated in line with market terms and individual performance. At the meetings held during the year, the overall pay trend in Hong Kong, Taiwan and Mainland China was noted and the remuneration of the Directors and senior management team was reviewed accordingly.

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

1. To review and recommend to the Board the overall remuneration policy for the Directors and senior management.

2. To review and recommend to the Board for its approval the remuneration of the Directors; and to review and approve the remuneration of other senior management; by reference to corporate goals and objectives resolved by the Board from time to time.

3. To ensure that the level of remuneration for Independent Non-executive Directors are linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

4. To ensure that no Director is involved in deciding his own remuneration.

Pursuant to Code provision B.1.5, details of the annual remuneration of the members of the senior management by band for the year ended 31st March, 2019 are as follows:

	Number of employees
Below HK$1,000,000	11
HK$1,000,001 to HK$1,500,000	1
HK$1,500,001 to HK$2,000,000	1
Total:	13

Details of the remuneration of each Director for the year ended 31st March, 2019 are set out in note 12 to the financial statements.

Audit Committee

The Audit Committee of the Company comprises all three Independent Non-executive Directors, and Mr. Fang Yan Tak, Douglas, Non-executive Director. Mr. Lau Yuen Sun, Adrian, was appointed as Chairman of the Audit Committee. The terms of reference stipulating the authority and duties of the Audit Committee conform to the provisions of the Code and are posted on the websites of the Stock Exchange and the Company.

The Audit Committee shall meet at least twice a year. Two meetings were held during the year. The attendance of each member is set out as follows:

Name of Directors	**Number of Meetings Attended**
Mr. Lau Yuen Sun, Adrian	2/2
Mr. Chu Chi Wai, Allan	2/2
Mr. Tien Pei Chun, James	2/2
Mr. Fang Yan Tak, Douglas	2/2

During the year, the Audit Committee had performed the following work:

(i) reviewed the financial reports for the year ended 31st March, 2018 and for the six months ended 30th September, 2018;

(ii) reviewed the effectiveness of the systems of internal control and risk management;

(iii) reviewed the external auditors' statutory audit plan and engagement letter;

(iv) discussed with the Company's external auditors the internal control of the Group; and

(v) reviewed and approved the scope and fees of the audit for the year ended 31st March, 2019.

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

1. To consider the appointment of the external auditors, the audit fees, and any questions of resignation or dismissal of the external auditors of the Group.

2. To discuss with the external auditors the nature and scope of the audit.

3. To review the interim and annual financial statements before submission to the Board.

4. To discuss problems and reservations arising from the interim review and final audit, and any matters the auditors may wish to discuss.

5. To review the external auditors' management letters and management's response.

6. To review the Company's systems of financial controls, internal controls and risk management to ensure that they are appropriate and functioning properly.

AUDITORS' REMUNERATION

During the year under review, the remuneration paid or payable to the Company's auditor, Messrs Deloitte Touche Tohmatsu, is set out as follows:

Services rendered	**Fees paid and payable** *HK$*
Audit services	2,500,000
Non audit services	632,200
	3,132,200

Internal Controls and Risk Management

The Board is responsible for maintaining an adequate internal control and risk management system to safeguard shareholders' investments and the Group's assets, and reviewing the effectiveness of this annually through the audit committee. The Audit Committee reports to the Board on any material issues and makes recommendations to the Board. Procedures have been put in place to safeguard the Group's assets against unauthorised use or disposal, to ensure proper accounting records are kept so that reliable financial information can be provided when required, and to ensure compliance with all applicable laws and regulations. These procedures have been based on industry norms and are designed to provide reasonable assurance and protection against errors, losses and fraud.

The Company together with its associated companies have established a joint internal audit department whose job is to conduct regular internal audits of the Group and the associated companies. These are risk-based audits designed to review the effectiveness of the companies' material internal controls so as to provide assurance that key business and operational risks are identified and managed, and to ensure that the internal control measures are carried out appropriately and are functioning as intended. The internal audit department reports its findings to the Board and makes recommendations to improve the internal control of the Group.

The Group has established a set of risk management policies and measures, which has been codified in its policies and adopted by it. Such policies and measures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. The ultimate goal of the Group's risk management policies and measures is to bring focus and effort to the issues in its business operations that create impediments to the Group's success. The Group's risk management process starts with identifying the major risks associated with its business, industry and market in the ordinary course of business. Depending on the likelihood and potential impacts of the relevant risks exposed to the Group, the management will prioritize the risks and will either take immediate mitigating action, devise contingency plan or conduct periodic review in accordance with the contingency plan. The Management is responsible for identifying and analyzing the risks associated with their respective function, preparing risk mitigation plans, measuring effectiveness of such risk mitigation plans and reporting status of risk management. A risk management committee has been set up which is responsible for advising on risk management matters, while the Audit Committee and ultimately the Board will supervise the implementation of the Group's risk management policies and measures.

The importance of internal controls and risk management is communicated to staff members in order to foster an environment in which internal controls are understood and respected within the Group. The Company also has a formal written whistle-blowing policy to enable staff members to communicate their concerns about any aspect of internal operations.

During the year the Board has reviewed the effectiveness of the systems of internal control and risk management of the Group. The Board is of the view that the system of internal controls and risk management in place for the year under review is sound and sufficient to safeguard the interests of shareholders, customers and employees, as well as the Group's assets.

In relation to the handling and dissemination of inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Group has adopted measures including raising awareness of confidentiality in the Group, issuing notices regarding "black-out" period and restrictions on dealings to Directors and employees on a regular basis to ensure compliance when handling and disclosing inside information.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st March, 2019, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis. The statement of the external auditor about its reporting responsibilities on the consolidated financial statements is set out in the independent auditor's report on pages 33 to 40 of this Annual Report.

DIVIDEND POLICY

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the memorandum of association and bye-laws of the Company and all applicable laws and regulations. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholders value. The Company has no fixed dividend pay-out ratio. The Board considers that, in general, the amount of dividends to be declared will depend on general economic conditions as well as the Group's actual and expected financial performance, retained profits and distributable reserves, cash flow, working capital requirements, capital expenditure requirements and future expansion plans, liquidity position, and other factors as may be considered relevant at such time by the Board.

COMMUNICATION WITH SHAREHOLDERS

The Company establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports and press announcements. As a channel of further promoting effective communication, the Company's website is maintained to disseminate the relevant financial and non-financial information on a timely basis.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. All Directors attended the Company's 2018 annual general meeting and were available to answer shareholders' questions.

At the Company's 2018 annual general meeting, all votings were conducted by poll in accordance with the requirements of the Listing Rules.

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

A Shareholders Communication Policy has been posted on the Company's website (www.yeebo.com.hk).

Where shareholders have any enquiry and/or proposals putting forward at shareholders' meeting, they may send them by mail to the Company Secretary at the Company's Head Office or via email to ir@yeebo.com.hk.

MEMORANDUM OF ASSOCIATION AND BYE-LAWS

During the year ended 31 March 2019, the Company has not made any amendment to its memorandum of association and bye-laws.

The Company's memorandum of association and bye-laws is available on the Company's website and the Stock Exchange's website.

COMPANY SECRETARY

Mr. Lau Siu Ki, Kevin of Hin Yan Consultants Limited, external service provider, has been engaged by the Company as the Company Secretary. The primary contact person at the Company, whom Mr. Lau contacts, is Mr. Leung Tze Kuen, Executive Director.

During the year ended 31st March, 2019, Mr Lau has taken no less than 15 hours of relevant professional training to update his skills and knowledge.

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 41 and 18, respectively, to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business and the analysis of the Group's performance for the year ended 31st March, 2019 as well as outlook/prospects of the Group's business are provided in the sections "Chairman's Statement" on pages 6 and 7 and "Management Discussion and Analysis" on pages 8 to 14 of this Annual Report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 41.

Subsequent to the end of the financial year, on 8th April, 2019, the directors declared a special dividend of HK10 cents per ordinary share, amounting to HK$99,964,000, which has been paid to the shareholders whose names appeared on the register of members of the Company on 30th April, 2019.

The directors now recommend the payment of a final dividend of HK5 cents per ordinary share to the shareholders on the register of members on Friday, 4th October, 2019, amounting to approximately HK$49,982,000, and the retention of the remaining profit. The proposed final dividend has to be approved in the forthcoming annual general meeting of the Company to be held on Tuesday, 24th September, 2019.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK$42,702,000. Details of this and other movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

There have been no movements in the share capital of the Company during the year ended 31st March, 2019.

RESERVES

Details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 45.

The Company's reserve available for distribution to shareholders as at 31st March, 2019 were as follows:

	2019	2018
	HK$'000	*HK$'000*
Contributed surplus	**49,259**	49,259
Retained profits	**165,455**	64,945
	214,714	114,204

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

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

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

DIRECTORS

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

Executive directors:

Mr. Fang Hung, Kenneth
Mr. Li Kwok Wai, Frankie
Mr. Leung Tze Kuen

Non-executive director:

Mr. Fang Yan Tak, Douglas

Independent non-executive directors:

Mr. Tien Pei Chun, James
Mr. Chu Chi Wai, Allan
Mr. Lau Yuen Sun, Adrian

In accordance with Clause 87 of the Company's Bye-Laws, Mr. Leung Tze Kuen, Mr. Tien Pei Chun, James and Mr. Chu Chi Wai, Allan will retire at the forthcoming annual general meeting of the Company. Mr. Leung Tze Kuen and Mr. Chu Chi Wai, Allan, being eligible, offer themselves for re-election at such meeting whereas Mr. Tien Pei Chun, James has decided not to offer himself for re-election.

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

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

The Company has received annual confirmation of independence from the three independent non-executive directors in accordance with Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and considers them to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group are set out on pages 3 to 5 of this Annual Report.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 31st March, 2019, the interests and short positions of the directors and chief executives and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long position in the shares of the Company

	Number of shares and nature of interests			
	Personal interests	Through controlled corporations	Total	Percentage of company's issued capital
Mr. Fang Hung, Kenneth	20,130,000	–	20,130,000	2.01%
Mr. Li Kwok Wai, Frankie *(Note(i))*	141,078,381	570,000,000	711,078,381	71.13%
Mr. Leung Tze Kuen *(Note(ii))*	1,860,000	–	1,860,000	0.19%

Notes:

(i) As at 31st March, 2019, Antrix Investment Limited held 570,000,000 shares of the Company. Mr Li Kwok Wai, Frankie beneficially owned 41.70%, of the issued share capital of Antrix Investment Limited.

(ii) The 1,860,000 shares represent shares which were granted under the share award scheme of the Company and are subject to the satisfactory fulfilment of vesting conditions.

Save as disclosed above, as at 31st March, 2019, none of the directors, the chief executive or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN CONTRACTS

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

PERMITTED INDEMNITY PROVISION

Subject to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), every director is entitled under the Company's memorandum of association and bye-laws to be indemnified and secured harmless out of the assets and profits of the Company against all costs, charges, losses, damages and expenses which he or she may sustain or incur in or about the execution or discharge of his or her duties. To the extent permitted by such Ordinance, the Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of companies in the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31st March, 2019, none of the directors of the Company or any of Company's subsidiaries, or their respective associates had interests in businesses, other than being a director of the Company and/or its subsidiaries and their respective associates, which compete or are likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

REMUNERATION FOR DIRECTORS

In compliance with the Code as set out in Appendix 14 to the Listing Rules, the Company has established a remuneration committee to formulate remuneration policies. Directors' remuneration are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to directors' duties and responsibilities, the recommendations of the remuneration committee and the performance and results of the Group. Details of the remuneration of the directors are set out in Note 12 to the consolidated financial statements.

CHANGES IN INFORMATION OF DIRECTORS

Subsequent to publication of the Company's 2018/19 Interim Report, the changes in information of Directors are set out below pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules:

– Mr. Lau Yuen Sun, Adrian was appointed as an independent non-executive director of Loco Hong Kong Holdings Limited, a company listed on the GEM of the The Stock Exchange of Hong Kong Limited (stock code: 8162), with effect from 30th January, 2019.

RELATED PARTY TRANSACTIONS

Details of related party transactions undertaken in the normal course of business of the Group are provided under Note 38 to the consolidated financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed.

The Company has complied with disclosure requirements in accordance with Chapter 14A of the Listing Rules for the year ended 31st March, 2019.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2019, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long position in the shares of the Company

	Capacity and nature of interest	Number of shares held	% of the Company's issued share capital
Antrix Investment Limited *(Note)*	Directly beneficially owned	570,000,000	57.02%
Esca Investment Limited *(Note)*	Indirectly beneficially owned	570,000,000	57.02%
Megastar Venture Limited *(Note)*	Indirectly beneficially owned	570,000,000	57.02%
Fang Brothers Holdings Limited *(Note)*	Indirectly beneficially owned	570,000,000	57.02%

Note:

As at 31st March, 2019, Antrix Investment Limited was held as to 58.3% by Esca Investment Limited (a company wholly-owned by Fang Brothers Holdings Limited in which none of its shareholders holds more than 20% of its issued capital) and 41.7% by Megastar Venture Limited (a company wholly-owned by Mr Li Kwok Wai, Frankie). The shares held by Esca Investment Limited, Megastar Venture Limited and Fang Brothers Holdings Limited represent the same interest held by Antrix Investment Limited, which have also been disclosed as an interest of Mr Li Kwok Wai, Frankie under the section "Interests of Directors and Chief Executive in Securities".

Save as disclosed above, as at 31st March, 2019, the Company was not notified by any persons who had interests or short positions of 5% or more in the shares and underlying shares of the Company which is required to be recorded under Section 336 of the SFO.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is reviewed regularly by the board of directors. Remuneration packages are structured to take into account the merit, qualifications and competence of individual employees as well as the general market conditions.

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st March, 2019.

CORPORATE GOVERNANCE

Details of the Group's corporate governance practices are set out in the Corporate Governance Report on pages 15 to 25 of this Annual Report.

The Company had adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of the directors it is confirmed that they have complied with the required standard set out in the Model Code.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2019.

AUDIT COMMITTEE

The Audit Committee comprises all of the three independent non-executive Directors, namely Mr. Tien Pei Chun, James, Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian; as well as Mr. Fang Yan Tak, Douglas, non-executive Director. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the financial statements of the Group for the year ended 31st March, 2019.

AUDITOR

A resolution will be submitted to the annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Li Kwok Wai, Frankie
Chief Executive Officer

Hong Kong
28th June, 2019

Deloitte. 德勤

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

OPINION

We have audited the consolidated financial statements of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 41 to 139, which comprise the consolidated statement of financial position as at 31st March, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accounting for the Group's interests in associates	
We identified the accounting for the Group's interests in associates as a key audit matter due to the significance of these investments to the Group's consolidated financial statements as a whole. As disclosed in note 18 to the consolidated financial statements, the Group invested in a number of associates whose principal activities include development, manufacturing and selling of organic light-emitting diode display products and manufacturing and trading of aluminium electrolytic capacitors. The Group's share of profits of its associates for the year ended 31st March, 2019 was approximately HK$123,788,000, representing in aggregate approximately 34% of profit before income tax of the Group as disclosed in the consolidated statement of profit or loss and other comprehensive income and the Group's interests in its associates was approximately HK$1,403,259,000 as at 31st March, 2019, representing approximately 60% of the total assets of the Group.	Our procedures in relation to the accounting for the Group's interests in associates included: • Obtaining an understanding of the Group's associates by reading their financial information and discussing with their respective management about the financial performance and significant events occurred in the year; • Meeting with the component auditor to discuss its assessment of risks and identification of areas of audit focus to evaluate the appropriateness of their work; • Evaluating the sufficiency and appropriateness of audit evidence obtained from work performed by the component auditor by reviewing their audit documentation where we considered necessary; and • Evaluating the appropriateness of adjustments made by the management of the Group to conform the accounting policies of the associates to those of the Group for like transactions and events in similar circumstances.

KEY AUDIT MATTERS (continued)

Key audit matter *Impairment assessment of trade receivables*	How our audit addressed the key audit matter
We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period. As at 31st March, 2019, the Group's net trade receivables amounting to approximately HK$148,703,000, which represented approximately 6.4% of total assets of the Group and out of these trade receivables of approximately HK$44,278,000 were past due. As explained in note 2 to the consolidated financial statements, in the current year, the Group adopted Hong Kong Financial Reporting Standard 9 "Financial Instruments" (HKFRS 9) and no additional impairment was recognised as at 1st April, 2018 in accordance with the transitional provisions of HKFRS 9. As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables based on individually assessment for those debtors with significant outstanding balances and/or provision matrix through grouping of various debtors that have similar loss patterns, after considering ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information.	Our procedures in relation to impairment assessment of trade receivables included: • Understanding key controls on how the management estimates the loss allowance for trade receivables; • Testing the accuracy of the ECL adjustment made by the Group as at 1st April, 2018 on initial adoption of HKFRS 9; • Testing the integrity of information used by management to develop the provision matrix, including trade receivables ageing analysis as at 1st April, 2018 and 31st March, 2019, on a sample basis, by comparing individual items in the analysis with the relevant sales agreements, sales invoices and other supporting documents; • Challenging management's basis and judgement in determining credit loss allowance on trade receivables as at 1st April, 2018 and 31st March, 2019, including their identification of credit impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information);

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables (continued)	
As disclosed in note 32 to the consolidated financial statements, the Group recognised an additional amount of HK$1,246,000 of impairment of trade receivables for the year and the Group's lifetime ECL on trade receivables as at 31st March, 2019 amounted to approximately HK$11,402,000.	• Evaluating the disclosures regarding the impairment assessment of trade receivables in notes 2, 4, 22 and 32 to the consolidated financial statements; and • Testing subsequent settlements of credit impaired trade receivables, on a sample basis, by inspecting supporting documents in relation to cash receipt from trade debtors subsequent to the end of the current reporting period.

KEY AUDIT MATTERS (continued)

Key audit matter *Allowance for inventories*	How our audit addressed the key audit matter
We identified the allowance for inventories as a key audit matter due to the use of judgement and estimates by the management in identifying obsolete or slow-moving inventories and determining the allowance for inventories. As set out in note 4 to the consolidated financial statements, the management of the Group is required to exercise judgement and estimates to identify obsolete or slow-moving inventories and determine the allowance for inventories at the end of the reporting period. The management reviews the usability and saleability of inventories taking into account the nature of inventories, prevailing market conditions, ageing categories and subsequent usages/sales. Where the inventories are determined to be obsolete or slow-moving inventories, the management determines the allowance for inventories primarily based on latest selling price and market condition. During the year, the Group recognised allowance for obsolete inventories amounting to approximately HK$15,133,000. As at 31st March, 2019, the carrying amount of inventories is approximately HK$147,478,000.	Our procedures in relation to assessing the appropriateness of the allowance for inventories include: • Understanding the Group's policy in identification of obsolete or slow-moving inventories and measurement of the allowance for inventories; • Performing physical observation of the inventories as at year end to identify inventories that may be required to be included in the assessment of the allowance for inventories. • Tracing the aging categories, and the usage/sales of inventories during the year and subsequent to the end of the reporting period, to the relevant documents, on a sample basis; • Testing the net realisable values of inventories by reference to latest invoice prices in subsequent sales or the market prices, on a sample basis; • Discussing with management the assumptions and estimation made in assessing net realisable values and evaluating the reasonableness of management's assessment of usability and saleability of inventories; • Assessing the accuracy of previous management previous estimate of allowance for inventories to evaluate the appropriateness of the basis made by the management in the current year.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Luk Kam Fan.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28th June, 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March, 2019

	NOTES	**2019** ***HK$'000***	2018 *HK$'000*
Revenue	*5*	**934,152**	953,600
Cost of sales		**(790,232)**	(815,825)
Gross profit		**143,920**	137,775
Other income	*7*	**12,121**	10,878
Other gains and losses	*8*	**2,948**	(376)
Selling and distribution expenses		**(71,776)**	(70,830)
Administrative expenses		**(28,801)**	(33,627)
Finance costs	*9*	**(1,237)**	(1,652)
		57,175	42,168
Items that relevant to associates:			
– Share of results of associates	*18*	**123,788**	99,376
– Gain on disposal of an associate	*18*	**244,398**	–
– Other expenses	*18*	**(65,367)**	–
		302,819	99,376
Profit before income tax		**359,994**	141,544
Income tax expense	*10*	**(37,578)**	(13,823)
Profit for the year	*11*	**322,416**	127,721
Other comprehensive income (expense)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operation:			
Subsidiaries		**8,272**	(4,951)
Associates		**(107,190)**	147,364
Share of other comprehensive income of an associate, net of related income tax	*18*	**(8,206)**	4,702
Release of translation reserve upon disposal of an associate		**(6,927)**	–
Total comprehensive income for the year		**208,365**	274,836
Profit for the year attributable to:			
Owners of the Company		**288,747**	120,598
Non-controlling interests		**33,669**	7,123
		322,416	127,721

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March, 2019

	NOTES	**2019** **HK$'000**	2018 HK$'000
Total comprehensive income attributable to:			
Owners of the Company		**176,736**	264,227
Non-controlling interests		**31,629**	10,609
		208,365	274,836
		HK cents	HK cents
Earnings per share – basic and diluted	*15*	**28.9**	12.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2019

	NOTES	2019 HK$'000	2018 HK$'000
Non-current assets			
Property, plant and equipment	16	**246,947**	260,711
Investment properties	17	**1,579**	1,010
Prepayment for acquisition of plant and equipment		**2,510**	3,380
Interests in associates	18	**1,403,259**	1,504,227
Available-for-sale ("AFS") investments	19	**–**	2,739
Financial assets at fair value through profit or loss ("FVTPL")	19	**2,739**	–
Intangible assets	20	**1,459**	1,459
Pledged bank deposit	25	**–**	20,814
		1,658,493	1,794,340
Current assets			
Inventories	21	**147,478**	170,918
Trade and other receivables	22	**200,691**	249,394
Bills receivables	23	**–**	47,294
Amounts due from associates	18	**51**	90
Held for trading investments	24	**–**	111
Financial assets at FVTPL	24	**1,962**	–
Bank balances and cash	25	**318,123**	41,261
		668,305	509,068
Current liabilities			
Trade and other payables	26	**290,386**	332,393
Contract liabilities	27	**13,411**	–
Bank borrowings	28	**–**	57,008
Tax payable		**20,907**	15,541
		324,704	404,942
Net current assets		**343,601**	104,126
Total assets less current liabilities		**2,002,094**	1,898,466
Non-current liability			
Deferred tax liabilities	29	**57,828**	69,779
		1,944,266	1,828,687

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2019

	NOTES	**2019** HK$'000	2018 HK$'000
Capital and reserves			
Share capital	*30*	**199,928**	199,928
Reserves		**1,720,673**	1,594,620
Equity attributable to owners of the Company		**1,920,601**	1,794,548
Non-controlling interests		**23,665**	34,139
Total equity		**1,944,266**	1,828,687

The consolidated financial statements on pages 41 to 139 were approved and authorised for issue by the Board of Directors on 28th June, 2019 and are signed on its behalf by:

Fang Hung, Kenneth
DIRECTOR

Li Kwok Wai, Frankie
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2019

	Attributable to owners of the Company											
	Share capital *HK$'000*	Share premium *HK$'000*	Capital reserve *(note i)* *HK$'000*	Capital redemption reserve *HK$'000*	Translation reserve *HK$'000*	Share award reserve *HK$'000*	Shares held for share award scheme *HK$'000*	Other reserve *(note ii)* *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1st April, 2017	199,928	110,750	2,125	10,132	(11,657)	4,679	(18,948)	–	1,280,261	1,577,270	26,903	1,604,173
Profit for the year	–	–	–	–	–	–	–	–	120,598	120,598	7,123	127,721
Other comprehensive expense for the year												
Share of other comprehensive income of an associate	–	–	–	–	–	–	–	4,702	–	4,702	–	4,702
Exchange difference arising on translation of foreign operations	–	–	–	–	138,927	–	–	–	–	138,927	3,486	142,413
Total comprehensive income for the year	–	–	–	–	138,927	–	–	4,702	120,598	264,227	10,609	274,836
Shares purchased for share award scheme	–	–	–	–	–	–	(4,680)	–	–	(4,680)	–	(4,680)
Recognition of equity-settled share-based payment expenses under share award scheme *(note 35)*	–	–	–	–	–	17,709	–	–	–	17,709	–	17,709
Shares vested under share award scheme *(note 35)*	–	–	–	–	–	(15,733)	8,187	–	7,546	–	–	–
Dividend paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(3,373)	(3,373)
Dividends recognised as a distribution *(note 14)*	–	–	–	–	–	–	–	–	(59,978)	(59,978)	–	(59,978)
At 31st March, 2018	199,928	110,750	2,125	10,132	127,270	6,655	(15,441)	4,702	1,348,427	1,794,548	34,139	1,828,687

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2019

	Attributable to owners of the Company											
	Share capital	Share premium	Capital reserve *(note i)*	Capital redemption reserve	Translation reserve	Share award reserve	Shares held for share award scheme	Other reserve *(note ii)*	Retained profits	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Profit for the year	-	-	-	-	-	-	-	-	288,747	288,747	33,669	322,416
Other comprehensive expense for the year												
Share of other comprehensive income of an associate	-	-	-	-	-	-	-	(8,206)	-	(8,206)	-	(8,206)
Exchange difference arising on translation of foreign operations	-	-	-	-	(96,878)	-	-	-	-	(96,878)	(2,040)	(98,918)
Release of translation reserve upon disposal of an associate	-	-	-	-	(6,927)	-	-	-	-	(6,927)	-	(6,927)
Total comprehensive (expense) income for the year	-	-	-	-	(103,805)	-	-	(8,206)	288,747	176,736	31,629	208,365
Shares purchased for share award scheme	-	-	-	-	-	-	(4,730)	-	-	(4,730)	-	(4,730)
Recognition of equity-settled share-based payment expenses under share award scheme *(note 35)*	-	-	-	-	-	4,029	-	-	-	4,029	-	4,029
Shares vested under share award scheme *(note 35)*	-	-	-	-	-	(4,163)	4,261	-	(98)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(42,103)	(42,103)
Dividends recognised as a distribution *(note 14)*	-	-	-	-	-	-	-	-	(49,982)	(49,982)	-	(49,982)
At 31st March, 2019	199,928	110,750	2,125	10,132	23,465	6,521	(15,910)	(3,504)	1,587,094	1,920,601	23,665	1,944,266

Notes:

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

(ii) The other reserve of the Group represented the share of fair value change on financial assets at fair value through other comprehensive income from an associate.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2019

	NOTE	**2019** **HK$'000**	2018 HK$'000
Operating activities			
Profit before income tax		**359,994**	141,544
Adjustments for:			
Share of results of associates		**(123,788)**	(99,376)
Finance costs		**1,237**	1,652
Interest income		**(1,138)**	(486)
Depreciation of property, plant and equipment		**51,532**	48,332
Depreciation of investment properties		**116**	99
Recognition of equity-settled share-based payment expenses under share award scheme		**4,029**	17,709
Loss (gain) on disposal of property, plant and equipment		**3,247**	(415)
Gain on disposal of an associate		**(244,398)**	–
Allowance for credit losses		**1,246**	2,066
Fair value changes of financial assets at FVTPL/held for trading investments		**(3)**	(12)
Allowance for inventories		**15,133**	10,081
Operating cash flows before movements in working capital		**67,207**	121,194
Decrease (increase) in inventories		**8,160**	(37,076)
Decrease (increase) in trade and other receivables		**46,228**	(19,956)
Decrease in financial assets at FVTPL		**51,126**	–
Increase in bills receivables		**–**	(14,619)
Decrease in amounts due from associates		**39**	15
Decrease in held-for-trading investments		**–**	190
(Decrease) increase in trade and other payables		**(24,933)**	22,056
Increase in contract liabilities		**3,461**	–
Cash generated from operations		**151,288**	71,804
Income tax paid		**(37,937)**	(9,232)
Net cash from operating activities		**113,351**	62,572
Investing activities			
Prepayment for acquisition of plant and equipment		**(2,005)**	–
Purchase of property, plant and equipment		**(51,062)**	(21,184)
Purchase of investment properties		**(685)**	–
Withdrawal of pledged bank deposit		**20,814**	4,310
Dividend received from the associates		**95,330**	34,715
Proceeds from disposals of property, plant and equipment		**1,695**	1,000
Proceeds on disposal of an associate		**251,069**	–
Interest received		**1,138**	486
Investment in an associate		**–**	(18,038)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2019

	NOTE	**2019** ***HK$'000***	2018 *HK$'000*
Net cash from investing activities		**316,294**	1,289
Financing activities			
Dividend paid		**(49,982)**	(59,978)
Dividends paid to non-controlling interests		**(42,103)**	(3,373)
Repayment of bank loans		**(127,742)**	(183,280)
Payment for purchase of shares for share award scheme		**(4,730)**	(4,680)
Interest paid		**(1,237)**	(1,652)
New bank loans raised		**70,692**	193,655
Net cash used in financing activities		**(155,102)**	(59,308)
Net increase in cash and cash equivalents		**274,543**	4,553
Effect of changes in exchange rates		**2,319**	283
Cash and cash equivalents at beginning of the year		**41,261**	36,425
Cash and cash equivalents at end of the year		**318,123**	41,261

1. GENERAL

Yeebo (International Holdings) Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its parent company is Antrix Investment Limited (incorporated in the British Virgin Islands (the "BVI")) and its ultimate holding company is Fang Brothers Holdings Limited (incorporated in the BVI). The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

The principal activities of the Company and its subsidiaries (the "Group") are the manufacturing and sale of liquid crystal displays ("LCDs") and liquid crystal displays modules ("LCMs") products.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

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

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

2.1 HKFRS 15 "Revenue from Contracts with Customers"

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

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

The Group recognises revenue from the manufacture and sales of LCDs, LCMs, LCD-related products and LCD-related optical products to customers.

Information about the Group's performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

Summary of effects arising from initial application of HKFRS 15

There was no impact of transition to HKFRS 15 on retained profits at 1st April, 2018.

As at 1st April, 2018, trade and other payables of HK$10,032,000 was reclassified to contract liabilities. No significant financing component is involved as the contract liabilities are realised within one year.

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated financial statements as at and for the year ended 31st March, 2019 for each of the line items affected. Line items that were not affected by the changes have not been included.

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

2.1 HKFRS 15 "Revenue from Contracts with Customers" (continued)

Summary of effects arising from initial application of HKFRS 15 (continued)

Impact on the consolidated statement of financial position

	As reported	Adjustments	Amounts without application of HKFRS 15
	HK$'000	*HK$'000*	*HK$'000*
Trade and other payables	290,386	13,411	303,797
Contract liabilities	13,411	(13,411)	–

Impact on the consolidated statement of cash flows

	As reported	Adjustments	Amounts without application of HKFRS 15
	HK$'000	*HK$'000*	*HK$'000*
Included in operating activities			
Decrease in trade and other payables	(24,933)	3,461	(21,472)
Increase in contract liabilities	3,461	(3,461)	–

2.2 HKFRS 9 "Financial Instruments"

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

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1st April, 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1st April, 2018.

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

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

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

2.2 HKFRS 9 "Financial Instruments" (continued)

Summary of effects arising from initial application of HKFRS 9

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

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

(a) Available-for-sale ("AFS") investments

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

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

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

2.2 HKFRS 9 "Financial Instruments" (continued)

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

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

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

(c) Loans and receivables

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

(d) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables. Except for those which had been determined as credit impaired under HKAS 39, trade receivables have been assessed individually with outstanding significant balances and/or the remaining balances are grouped based on past due status and ECL is assessed using a provision matrix.

ECL for other financial assets at amortised cost, including other receivables, amounts due from associates, pledged bank deposit and bank balances, are assessed on 12-month ECL ("12m ECL") basis as there had been no significant increase in credit risk since initial recognition.

As at 1st April 2018, the directors of the Company reviewed and assessed the Group's existing financial assets for impairment and considered the application of ECL model has no significant impact to the financial position of the Group as at 1st April 2018. No additional credit loss allowance was recognised as there were no impacts of transition to HKFRS 9 on retained profits and classification and measurement of financial assets as of 1st April, 2018.

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

2.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table show the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

	31st March, 2018	HKFRS 15	HKFRS 9	1st April, 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)			(Restated)
Non-current assets				
AFS investments	2,739	–	(2,739)	–
Financial assets at FVTPL	–	–	2,739	2,739
Current assets				
Bills receivables	47,294	–	(47,294)	–
Held for trading investments	111	–	(111)	–
Financial assets at FVTPL	–	–	47,405	47,405
Current liabilities				
Trade and other payables	332,393	(10,032)	–	322,361
Contract liabilities	–	10,032	–	10,032

For the purposes of reporting cash flows from operating activities under indirect method for the year ended 31st March, 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1st April, 2018 as disclosed above.

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

2.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards (continued)

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[1]
Amendments to HKFRS 3	Definition of a Business[3]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKAS 1 and HKAS 8	Definition of Material[2]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[1]

1 Effective for annual periods beginning on or after 1st January, 2019
2 Effective for annual periods beginning on or after 1st January, 2020
3 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1st January, 2020
4 Effective for annual periods beginning on or after 1st January, 2021
5 Effective for annual periods beginning on or after a date to be determined

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 "Leases" and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer.

Distinctions of operating leases and finance leases are removed for lessee accounting, and are replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cashflows in relation to leasehold lands for own use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group in accordance to the nature. Upfront prepaid lease payments will continue to be presented as investing or operating cash flows in accordance with nature, as appropriate.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31st March, 2019, the Group has non-cancellable operating lease commitments of HK$10,875,000 as disclosed in note 34. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

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

HKFRS 16 "Leases" (continued)

In addition, the Group currently considers refundable rental deposits paid of HK$640,000 as right under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group elects the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Group does not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group elects the modified retrospective approach for the application of HKFRS 16 as lessee and recognises the cumulative effect of initial application to opening retained profits without restating comparative information.

3. SIGNIFICANT ACCOUNTING POLICIES

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

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

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicated that there are changes to one or more of the three elements of control listed above.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to the financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statement using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interests in associates (continued)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9/HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (continued)

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

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

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

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

Incremental costs of obtaining a contract

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

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

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

Revenue recognition (prior to 1st April, 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (prior to 1st April, 2018) (continued)

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payments have been established.

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

Rental income

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress represents property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property 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 lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the terms of the relevant lease.

The Group as leasee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

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 recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. 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 retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

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

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period 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 before income tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and interests in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arise from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Intangible assets

Intangible assets acquired separately

Club memberships with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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

Intangible assets with indefinite useful lives is tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1st April, 2018. 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 ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVFPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and 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 financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (continued)

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

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

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

A financial asset is classified as held for trading if:

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

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

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

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

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

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

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets that are credit-impaired or with significant outstanding balance is assessed individually and/or the remaining balance is assessed collectively using a provision matrix with appropriate groupings of trade receivables that have similar loss patterns as reflected in the payment history and pass due status.

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

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(i) Significant increase in credit risk (continued)

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

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

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

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(v) Measurement and recognition of ECL (continued)

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1st April, 2018)

The Group's financial assets are classified into loans and receivables, financial assets at FVTPL and AFS financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regular ion or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, bills receivables, amounts due from associates, pledged bank deposit and bank balances and cash) are carried at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Financial assets at FVTPL

Financial assets at FVTPL represent the financial assets held for trading.

A financial asset is classified as held for trading if:

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1st April, 2018) (continued)

Financial assets at FVTPL (continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 32.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as AFS or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment of financial assets below).

Impairment of financial assets (before application of HKFRS 9 on 1st April, 2018)

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of HKFRS 9 on 1st April, 2018) (continued)

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

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for similar financial assets. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other 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 and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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

In respect of AFS investments equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of other reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an AFS financial asset, the cumulative gain or loss previously accumulated in the other reserve is reclassified to profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities (including trade and other payables and bank borrowings) are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

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

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all-non market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share award reserve).

When the trustee purchases the Company's shares from the open market, the consideration paid, including any directly attributable incremental costs, is presented as shares held for share award scheme and deducted from total equity. No gain or loss is recognised on transactions of the Company's own shares.

When the trustee transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held for share award scheme. Accordingly, the related expense of the granted shares vested is reversed from the share award reserve. The difference arising from this transfer is debited/credited to retained profits. At the end of the reporting period, the Group revises its estimates of the number of shares that are expected to ultimately vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the estimates, if any, is recognised in profit or loss with a corresponding adjustment to the share award reserve.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Control over Crown Capital Holdings Limited ("Crown Capital")

Crown Capital is considered as a subsidiary of the Group even though the Group has only a 47.05% ownership interest and has only 47.05% of the voting rights in Crown Capital since the date of incorporation and the remaining 52.95% of the ownership interests are held by seven independent shareholders.

The directors of the Company assessed whether or not the Group has control over Crown Capital based on whether the Group has the practical ability to direct the relevant activities of Crown Capital unilaterally. In making their judgement, the directors considered the Group's absolute size of its holding in Crown Capital and the relative size of and dispersion of the shareholdings owned by the other shareholders as well as other facts and circumstances including voting patterns at previous shareholders' meetings. After the assessment, the directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of Crown Capital and therefore the Group has control over Crown Capital.

Deferred tax on investments in associates

For the purposes of measuring deferred tax liabilities on investments in associates, the management of the Group considered the tax consequences associated with the expected manner of recovery of the carrying amount of the investment. Different tax rates are applied for measuring the temporary difference between the carrying amount and tax base of investment in associates for the recovery of investment through receiving dividend income or selling the investment. The directors of the Company assessed that the temporary difference is to be recovered through dividend income and/or through sale, and accordingly, deferred tax liabilities of approximately HK$57,952,000 (2018: HK$69,891,000) was recognised by applying different tax rates in accordance with the expected manner of recovery.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision of ECL for trade receivables

The Group estimated the amount of lifetime ECL of trade receivables based on individual assessment on debtors with significant outstanding balances and/or provision matrix through grouping of various debtors that have similar loss patterns, after considering ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables is disclosed in note 32.

Allowance for inventories

The Group manufactures and sells liquid crystal displays products and the valuation of the inventories is subject to fluctuation of market prices. When there is a downward trend in the market, the selling price of the liquid crystal displays products of the Group may decrease which imposes pressures on the net realisable values of inventories. The management of the Group is required to exercise judgement and estimates to identify obsolete or slow-moving inventories and determine the allowance for inventories at the end of the reporting period. The management reviews the usability and saleability of inventories taking into account the nature of inventories, prevailing market conditions, ageing categories and subsequent usages/sales. Where the inventories are determined to be obsolete or slow-moving inventories, the management determines the allowance for inventories primarily based on latest selling price and market condition. Where the actual net realisable values of the inventories are less than expected, further allowance for inventories may arise. During the year, the Group recognised allowance for inventories amounting to approximately HK$15,133,000 (2018: HK$10,081,000). As at 31st March, 2019, the carrying amount of inventories is approximately HK$147,478,000 (2018: HK$170,918,000).

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

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

For types of goods sold and geographic markets of the customers, please refer to note 6 for details.

(ii) Performance obligations for contracts with customers

Revenue is recognised when control of the goods has transferred, being when the goods have been delivered according to the specific shipping terms.

Following the delivery, the customer has full discretion over the usage of the goods, has the primary responsibility when on utilising the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 120 days upon delivery.

Customers have a right to exchange for dissimilar products within 60 days. As sales return is rare and not significant to the Group, the Group only reverse the revenue when sales return is successfully logged by the customers.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

All contracts with customers of the Group are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

6. SEGMENT INFORMATION

The Group is organised into four operating divisions according to the types of products sold, which are LCDs, LCMs, LCD-related products that are widely used in electronic industrial and consumer products and LCD-related optical products. The Group's operating segments are determined based on information reported to the chief operating decision maker ("CODM"), the executive directors and senior management, for the purposes of resource allocation and performance assessment. The division for LCD-related optical products was under development stage and revenue as HK$517,000 (2018: HK$125,000) was generated for the year ended 31st March, 2019.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

6. SEGMENT INFORMATION (continued)

The following is an analysis of the Group's revenue and results by reportable and operating segment.

2019

	LCDs	LCMs	LCD-related products	LCD-related optical products	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue							
External sales	253,032	600,910	79,693	517	934,152	–	934,152
Inter-segment sales	95,381	35,180	–	–	130,561	(130,561)	–
Total	348,413	636,090	79,693	517	1,064,713	(130,561)	934,152
Segment profit (loss)	12,466	45,534	(1,555)	(1,343)	55,102		55,102
Interest income							1,138
Gain on fair value changes of financial assets at FVPTL							3
Unallocated administrative costs							(69,390)
Net exchange gain							6,192
Finance costs							(1,237)
Share of results of associates							123,788
Gain on disposal of an associate							244,398
Profit before income tax							359,994

6. SEGMENT INFORMATION (continued)

2018

	LCDs	LCMs	LCD-related products	LCD-related optical products	Segment total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue							
External sales	270,627	629,696	53,152	125	953,600	–	953,600
Inter-segment sales	101,566	–	10,459	–	112,025	(112,025)	–
Total	372,193	629,696	63,611	125	1,065,625	(112,025)	953,600
Segment profit (loss)	12,280	41,239	(3,432)	(1,062)	49,025		49,025
Interest income							486
Dividend income							104
Gain on fair value changes of held for trading investments							12
Unallocated administrative costs							(5,004)
Net exchange loss							(803)
Finance costs							(1,652)
Share of results of associates							99,376
Profit before income tax							141,544

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit generated (loss incurred) in each segment, net of selling and distribution expenses and administrative costs directly attributable to each segment without allocation of interest income, dividend income, fair value changes of financial assets at FVTPL and held for trading investments, unallocated administrative costs, net exchange differences, finance costs, share of results of associates and gain on disposal of an associate. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at cost or cost plus a percentage mark-up.

6. SEGMENT INFORMATION (continued)

Other segment information

The following other segment information is included in the measure of segment profit:

2019

	LCDs	**LCMs**	**LCD-related products**	**Segment total**	**Unallocated**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Depreciation of property, plant and equipment	**32,879**	**13,193**	**5,344**	**51,416**	**116**	**51,532**
Depreciation of investment properties	**–**	**–**	**–**	**–**	**116**	**116**
Loss on disposal of property, plant and equipment	**1,623**	**1,624**	**–**	**3,247**	**–**	**3,247**
Impairment loss on trade receivables recognised in profit or loss	**452**	**794**	**–**	**1,246**	**–**	**1,246**
Allowance for inventories, net of reversal	**(502)**	**12,954**	**2,681**	**15,133**	**–**	**15,133**

2018

	LCDs	LCMs	LCD-related products	Segment total	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Depreciation of property, plant and equipment	27,813	15,265	5,156	48,234	98	48,332
Depreciation of investment properties	–	–	–	–	99	99
Gain on disposal of property, plant and equipment	(415)	–	–	(415)	–	(415)
Allowance for doubtful debts	1,002	1,064	–	2,066	–	2,066
Allowance for inventories, net of reversal	3,220	6,722	139	10,081	–	10,081

Segment assets and liabilities

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

6. SEGMENT INFORMATION (continued)

Geographical information

The Group operates in two principal geographical areas, including Hong Kong and Mainland China.

Information about the Group's revenue from external customers and information about its non-current assets by geographical location of the customers and assets respectively, are detailed below:

	Revenue from external customers		Non-current assets	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**81,537**	78,667	**13,162**	13,904
Mainland China	**162,232**	219,369	**1,642,462**	1,756,693
Japan	**172,349**	153,908	**–**	–
United States	**105,008**	90,584	**–**	–
Taiwan	**34,441**	39,660	**–**	–
Germany	**88,678**	95,305	**–**	–
Spain	**40,289**	51,962	**–**	–
Other European countries	**174,674**	154,072	**130**	190
Other Asian countries	**57,163**	54,723	**–**	–
Other countries	**17,781**	15,350	**–**	–
	934,152	953,600	**1,655,754**	1,770,787

Note: Non-current assets exclude certain financial assets at FVTPL, AFS investments and pledged bank deposit.

Information about major customers

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

7. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Dividend income from AFS investment	**–**	104
Interest on bank deposits	**1,138**	486
Scrap sales	**2,366**	1,622
Tooling income	**2,580**	3,346
Government grant	**1,155**	714
Others	**4,882**	4,606
	12,121	10,878

8. OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Gain on fair value changes of financial assets at FVTPL/held for trading investments	**3**	12
(Loss) gain on disposal of property, plant and equipment	**(3,247)**	415
Net exchange gain/(loss)	**6,192**	(803)
	2,948	(376)

9. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interest on bank loans	**1,237**	1,652

10. INCOME TAX EXPENSE

	2019 *HK$'000*	2018 *HK$'000*
The income tax expense comprises:		
Current tax		
Hong Kong	**6,530**	4,181
People's Republic of China ("PRC")	**36,318**	4,785
Other jurisdictions	**1,474**	1,197
	44,322	10,163
Underprovision in prior years		
Hong Kong	**4**	36
	44,326	10,199
Deferred taxation *(note 29)*		
(Credit) charge for the year	**(6,748)**	3,624
	37,578	13,823

On 21st March, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28th March, 2018, and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying companies will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of companies not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Current tax in other jurisdictions is mainly represented by the PRC Enterprise Income Tax. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

Pursuant to the relevant law and regulations in the PRC, one of the Company's PRC subsidiaries was approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2015 to 2018 and accordingly, PRC Enterprise Income Tax was provided at 15% for the year ended 31st March, 2018. Since the year ended 31st March, 2019, that subsidiary was not approved as Hi-Tech Enterprise and subject to 25% PRC enterprise income tax.

10. INCOME TAX EXPENSE (continued)

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

Pursuant to the above-mentioned arrangement, the Group has recognised a deferred tax liability for the Group's share of the undistributed distributable profits earned by its PRC associates since 1st January, 2008. Deferred tax liabilities in respect of the distributable profits retained by the Group's PRC subsidiaries approximately of HK$7,606,000 (2018: HK$6,134,000) have not been recognised as the Group is able to control the timing of reversal of temporary differences of the subsidiaries and it is probable that the temporary differences will not be reversed in the foreseeable future.

The income tax expense for the year can be reconciled to the profit before income tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2019	2018
	HK$'000	*HK$'000*
Profit before income tax	**359,994**	141,544
Tax at Hong Kong Profits Tax rate of 16.5%	**59,399**	23,355
Tax effect of share of results of associates	**(20,425)**	(16,397)
Tax effect of expenses that are not deductible for tax purposes	**14,738**	3,043
Tax effect of income not taxable for tax purposes	**(384)**	(983)
Tax effect of income not taxable for tax purpose from gain on disposal of an associate	**(40,326)**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**3,389**	543
Underprovision in respect of prior years	**4**	36
Utilisation of tax losses previously not recognised	**(1,101)**	(1,633)
Withholding tax for undistributed profits in associates	**7,348**	5,960
Withholding tax for gain on disposal of an associate	**15,084**	–
Others	**(148)**	(101)
Income tax expense for the year	**37,578**	13,823

11. PROFIT FOR THE YEAR

	2019	2018
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Staff cost, including directors' emoluments *(Note 12)*	**187,301**	191,048
Retirement benefit scheme contributions, excluding directors	**9,573**	9,658
Share-based payment expenses	**4,029**	17,709
Total staff costs	**200,903**	218,415
Allowance for inventories (included in cost of sales), net of reversal	**15,133**	10,081
Auditor's remuneration	**3,240**	3,240
Cost of inventories recognised as expenses	**790,232**	815,825
Depreciation of property, plant and equipment	**51,532**	48,332
Depreciation of investment properties	**116**	99
Impairment loss, net of reversal, recognised on trade receivables for sales of goods	**1,246**	2,066
Share of tax of associates	**17,794**	16,412

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the seven directors and the chief executive were as follows:

Year ended 31st March, 2019

	Fees	Salaries and other benefits	Performance related incentive payments *(Note i)*	Share-based payment expenses *(Note iv)*	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors:						
Fang Hung, Kenneth	–	1,440	–	–	–	1,440
Li Kwok Wai, Frankie	–	4,354	363	–	236	4,953
Leung Tze Kuen	–	960	400	405	68	1,833
Non-executive Director:						
Fang Yan Tak, Douglas	300	–	–	–	–	300
Independent non-executive Directors:						
Tien Pei Chun, James	300	–	–	–	–	300
Chu Chi Wai, Allan	300	–	–	–	–	300
Lau Yuen Sun, Adrian	300	–	–	–	–	300
	1,200	6,754	763	405	304	9,426

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Year ended 31st March, 2018

	Fees HK$'000	Salaries and other benefits HK$'000	Performance related incentive payments *(Note i)* HK$'000	Share-based payment expenses *(Note iv)* HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Executive Directors:						
Fang Hung, Kenneth	–	1,440	–	–	–	1,440
Li Kwok Wai, Frankie	–	4,353	1,000	–	268	5,621
Leung Tze Kuen	–	1,258	500	289	73	2,120
Non-executive Director:						
Fang Yan Tak, Douglas	300	–	–	–	–	300
Independent non-executive Directors:						
Tien Pei Chun, James	300	–	–	–	–	300
Chu Chi Wai, Allan	300	–	–	–	–	300
Lau Yuen Sun, Adrian	300	–	–	–	–	300
	1,200	7,051	1,500	289	341	10,381

Notes:

(i) The performance related incentive payment is determined on a discretionary basis with reference to operating results of the principal activities of the Group.

(ii) Mr. Li Kwok Wai, Frankie is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

(iii) The emoluments shown above for executive directors were for their services in connection with the management of the affairs of the Company and the Group. The emoluments for the non-executive director were for his services as director of the Company. The emoluments for independent non-executive directors were for their services as directors of the Company.

(iv) During the year, a director was granted awarded shares, in respect of its services to the Group under the share award scheme of the Company. Details of the share award scheme are set out in note 35.

No director waived any emoluments for the two years ended 31st March, 2019 and 31st March, 2018.

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2018: one) were directors of the Company whose emoluments are included in note 12 above. The emoluments of the remaining three (2018: four) individuals were as follows:

	2019	2018
	HK$'000	*HK$'000*
Salaries and other benefits	**4,915**	5,023
Performance related incentive payments	**2,010**	15,541
Retirement benefit scheme contributions	**422**	453
Total emoluments	**7,347**	21,017

Their emoluments were within the following bands:

	2019	2018
	No. of employees	No. of employees
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,000,001 to HK$2,500,000	**–**	1
HK$2,500,001 to HK$3,000,000	**1**	1
HK$3,000,001 to HK$3,500,000	**1**	1
HK$12,000,001 to HK$12,500,000	**–**	1

14. DIVIDENDS

Dividends recognised as distributions during the year:

	2019	2018
	HK$'000	*HK$'000*
Final dividend for the year ended 31st March, 2018 of HK5.0 cents per share	**49,982**	–
Final dividend for the year ended 31st March 2017 of HK6.0 cents per share	**–**	59,978
	49,982	59,978

After the end of the year, the Directors declared a special dividend in respect of the year ended 31st March, 2019 of HK10 cents (2018: nil) per share, a total distribution of approximately HK$99,964,000, which has been paid to the shareholders whose names appeared on the register of members of the Company on 30th April, 2019.

Proposed dividends:

	2019	2018
	HK$'000	*HK$'000*
Final dividend for the year ended 31st March, 2019 of HK5.0 cents (2018: HK5.0 cents) per share	**49,982**	49,982

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

15. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the owners of the Company for the year and 999,641,171 (2018: 999,641,171) weighted average number of ordinary shares in issue.

The directors of the Company consider that dilutive impact arising from share awards is insignificant for both years.

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000 (Note)	Furniture and fixtures HK$'000	Office equipment HK$'000	Plant and machinery HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1st April, 2017	104,190	79,511	13,485	384,266	8,316	58,985	648,753
Exchange realignment	–	54	64	–	–	–	118
Additions	–	6,392	262	1,634	288	29,202	37,778
Disposals	–	–	(801)	(54,676)	(378)	–	(55,855)
Transfers	198	2,178	1,314	46,735	329	(50,754)	–
At 31st March, 2018	104,388	88,135	14,324	377,959	8,555	37,433	630,794
Exchange realignment	–	(40)	(48)	–	–	–	(88)
Additions	685	–	28	389	449	41,151	42,702
Disposals	–	(7,376)	(1,421)	(57,904)	(276)	(79)	(67,056)
Transfers	24,998	4,812	445	24,256	–	(54,511)	–
At 31st March, 2019	**130,071**	**85,531**	**13,328**	**344,700**	**8,728**	**23,994**	**606,352**
DEPRECIATION							
At 1st April, 2017	32,812	47,299	8,704	283,285	4,816	–	376,916
Exchange realignment	–	44	61	–	–	–	105
Provided for the year	5,240	11,453	1,352	29,347	940	–	48,332
Eliminated on disposals	–	–	(427)	(54,501)	(342)	–	(55,270)
At 31st March, 2018	38,052	58,796	9,690	258,131	5,414	–	370,083
Exchange realignment	–	(34)	(46)	–	–	–	(80)
Provided for the year	5,569	13,113	1,117	30,843	890	–	51,532
Eliminated on disposals	–	(4,496)	(1,248)	(56,241)	(145)	–	(62,130)
At 31st March, 2019	**43,621**	**67,379**	**9,513**	**232,733**	**6,159**	**–**	**359,405**
CARRYING VALUES							
At 31st March, 2019	**86,450**	**18,152**	**3,815**	**111,967**	**2,569**	**23,994**	**246,947**
At 31st March, 2018	66,336	29,339	4,634	119,828	3,141	37,433	260,711

16. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Land and buildings	Over the shorter of the lease term or 20 years, whichever is shorter
Furniture and fixtures	10 – 25%
Office equipment	15 – 25%
Plant and machinery	10 – 25%
Motor vehicles	10 – 20%

Note: The carrying amounts of owner-occupied leasehold land and buildings of HK$86,450,000 (2018: HK$66,336,000) at the end of the reporting period included both the leasehold land and building elements in property, plant and equipment, as in the opinion of the directors of the Company, allocations of the carrying amounts between the leasehold land and buildings elements cannot be made reliably.

17. INVESTMENT PROPERTIES

	HK$'000
COST	
At 1st April, 2017, 31st March, 2018	1,207
Addition	685
At 31st March, 2019	1,892
DEPRECIATION	
At 1st April, 2017	98
Provided for the year	99
At 31st March, 2018	197
Provided for the year	116
At 31st March, 2019	313
CARRYING VALUES	
At 31st March, 2019	1,579
At 31st March, 2018	1,010

The Group's investment properties are erected on land in Hong Kong and are depreciated on a straight-line basis over the shorter of the term of the lease or 20 years.

As at 31st March, 2019, the fair value of the Group's investment properties was HK$37,900,000 (2018: HK$37,100,000).

17. INVESTMENT PROPERTIES (continued)

The fair value of the investment properties as at 31st March, 2019 have been arrived at on the basis of a valuation carried out on that date by Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group. Asset Appraisal Limited is a member of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

Rental income from investment properties for the year is HK$722,000 (2018: HK$757,000). The direct operating expenses incurred for investment properties that generated rental income during the year is HK$271,000 (2018: HK$648,000).

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group's investment properties and information about the fair value hierarchy as at the end of the reporting period are as follows:

	2019	2018
	HK$'000	*HK$'000*
Office units located in Hong Kong		
Level 3	**1,579**	1,010
Fair Value	**37,900**	37,100

18. INTERESTS IN ASSOCIATES

Interests in associates

	2019	2018
	HK$'000	*HK$'000*
Cost of investments in associates		
Listed in the PRC	**518,114**	518,114
Unlisted	**183,052**	201,651
Share of post-acquisition results and other comprehensive income, net of dividends received:		
Listed in the PRC	**704,886**	738,034
Unlisted	**(2,793)**	46,428
	1,403,259	1,504,227
Fair value of listed associate	**2,376,449**	2,520,957

Share of results of associates

	2019	2018
	HK$'000	*HK$'000*
Listed in the PRC:		
Share of profit	**88,623**	76,466
Unlisted associates:		
Share of profit	**35,165**	22,910
	123,788	99,376

18. INTERESTS IN ASSOCIATES (continued)

Details of the Group's associates as at 31st March, 2019 and 2018 are as follows:

Name	Form of business	Place of incorporation or registration/ operation	Proportion of nominal value of issued capital controlled by the Group 2019	2018	Principal activities
Listed in the PRC					
Nantong Jianghai Capacitor Company Ltd. ("Nantong Jianghai") 南通江海電容器股份有限公司	Sino-foreign cooperate joint stock company	The PRC	**31.84%** *(Note 1)*	31.84% *(Note 1)*	Manufacturing and trading of aluminium electrolytic capacitors, thin film capacitors and supercapacitors
Unlisted associates					
Kunshan Visionox Display Co. Ltd. ("Kunshan Display") 昆山維信諾顯示技術有限公司	Sino-foreign cooperate joint venture	The PRC	**–** *(Note 2)*	43.87%	Development, manufacturing and selling of organic light-emitting diode ("OLED") display products
Kunshan Visionox Technology Co. Ltd.("Kunshan Technology") 昆山維信諾科技有限公司	Sino-foreign cooperate joint venture	The PRC	**35.10%**	35.10%	Development, manufacturing and selling of OLED display products
Zaozhuang Visionox Electronics Technology Company Limited ("Zaozhuang Electronics") 棗莊維信諾電子科技有限公司	Sino-foreign cooperate joint venture	The PRC	**40.00%**	40.00%	Development, manufacturing and selling of flexible printed circuits and OLED related products

18. INTERESTS IN ASSOCIATES (continued)

Note 1: According to the "Guide to Listed Companies' Articles of Association《上市公司章程指引》" issued by China Securities Regulatory Commission, a company is treated as the controlling shareholder of a company listed in Mainland China if it holds more than 50% of the shareholding of the said listed company or if its shareholding/voting right is enough to have a significant influence on the votings in the listed company's shareholders general meetings. Billion Power Investment Limited, a wholly-owned subsidiary of the Company, has significant influence but not control, over Nantong Jianghai by virtue of the fact that it has a shareholding of 31.84% of the voting rights. Regardless of the fact that Billion Power Investment Limited is disclosed as the controlling shareholder of Nantong Jianghai in Nantong Jianghai's public documents in Mainland China, it is accounted for as interest in an associate using the equity method under HKAS 28 as the Group has significant influence over to participate in the financial and operating policy decisions but not control over those policies.

Note 2: During the year, the Group disposed of the entire 43.87% equity interest in Kunshan Display to another shareholder of this associate for a cash consideration of Renminbi("RMB")219,967,000 which has been fully settled during the year.

The summarised financial information of the Group's associates is set out below. The summarised financial information below represents the amount shown in the associates' financial statements prepared in accordance with HKFRSs adjusted by the Group for equity accounting purposes:

Nantong Jianghai

Financial position

	2019	2018
	HK$'000	*HK$'000*
Current assets	**2,886,206**	3,116,452
Non-current assets	**2,004,951**	1,774,375
Current liabilities	**(785,108)**	(735,761)
Non-current liabilities	**(46,883)**	(62,239)
Non-controlling interest	**(218,085)**	(147,639)
Net assets	**3,841,081**	3,945,188

Reconciliation of the above summarised financial information to the carrying amount of the interest in Nantong Jianghai recognised in the consolidated financial statements:

	2019	2018
	HK$'000	*HK$'000*
Net assets of the associate	**3,841,081**	3,945,188
Proportion of the Group's ownership interest in Nantong Jianghai	**31.84%**	31.84%
Carrying amount of the Group's interest in Nantong Jianghai	**1,223,000**	1,256,148

18. INTERESTS IN ASSOCIATES (continued)

Nantong Jianghai (continued)

Results for the year

	2019 HK$'000	2018 HK$'000
Revenue	**2,242,801**	2,107,676
Profit and total comprehensive income for the year	**251,210**	255,700
Group's share of associate's profit for the year	**88,623**	76,466
Group's share of associate's other comprehensive (expense) income for the year	**(8,638)**	4,949

Dividend received during the year

	2019 HK$'000	2018 HK$'000
Dividend received by the Group	**22,406**	23,001

18. INTERESTS IN ASSOCIATES (continued)

Kunshan Technology

Financial position

	2019	2018
	HK$'000	*HK$'000*
Current assets	**289,876**	604,862
Non-current assets	**363,944**	263,963
Current liabilities	**(221,310)**	(260,520)
Non-controlling interest	**(4,822)**	(4,064)
Net assets	**427,688**	604,241

Reconciliation of the above summarised financial position to the carrying amount of the interest in Kunshan Technology recognised in the consolidated financial statements:

	2019	2018
	HK$'000	*HK$'000*
Net assets of the associate	**427,688**	604,241
Proportion of the Group's ownership interest in Kunshan Technology	**35.1%**	35.1%
Carrying amount of the Group's interest in Kunshan Technology	**150,118**	212,089

18. INTERESTS IN ASSOCIATES (continued)

Kunshan Technology (continued)

Results for the year

	2019	2018
	HK$'000	*HK$'000*
Revenue	**555,365**	529,025
Profit and total comprehensive income for the year	**71,130**	45,421
Group's share of associate's profit for the year	**24,967**	15,943

Dividend received during the year

	2019	2018
	HK$'000	*HK$'000*
Dividend received by the Group	**72,924**	11,714

Other expenses

In the current year, the Group's other expense of HK$65,367,000 represents the Group's discretionary bonus awarded to the management of Kunshan Technology, an associate of the Group, to show the appreciation to the management of Kunshan Technology for their contribution of good performance and the continual support in future.

18. INTERESTS IN ASSOCIATES (continued)

Kunshan Display

Financial position

	2019	2018
	HK$'000	*HK$'000*
Current assets	**–**	35,126
Non-current assets	**–**	929
Current liabilities	**–**	(7,163)
Net assets	**–**	28,892

Reconciliation of the above summarised financial position to the carrying amount of the interest in Kunshan Display recognised in the consolidated financial statements:

	2019	2018
	HK$'000	*HK$'000*
Net assets of the associate	**–**	28,892
Proportion of the Group's ownership interest in Kunshan Display	**–**	43.87%
Carrying amount of the Group's interest in Kunshan Display	**–**	12,675

18. INTERESTS IN ASSOCIATES (continued)

Kunshan Display (continued)

Results for the period/year

	From 1.4.2018 to 31.10.2018	From 1.4.2017 to 31.3.2018
	HK$'000	*HK$'000*
Revenue	**11,738**	5,530
Profit and total comprehensive income for the period/year	**4,054**	8,834
Group's share of associate's profit for the period/year	**1,778**	3,875

Disposal

During the year, the Group disposed of the entire 43.87% equity interest in Kunshan Display to another shareholder of this associate for a cash consideration of RMB219,967,000 which has been fully settled during the year. This transaction has resulted in the recognition of a gain on disposal in profit or loss, calculated as follows:

	HK$'000
Consideration received	251,069
Less: carrying amount of the 43.87% interest in Kunshan Display on the date of disposal	(13,598)
Add: release of translation reserve	6,927
Gain recognised in profit or loss	244,398

18. INTERESTS IN ASSOCIATES (continued)

Zaozhuang Electronics

Financial position

	2019	2018
	HK$'000	*HK$'000*
Current assets	**77,586**	68,623
Non-current assets	**85,700**	49,435
Current liabilities	**(87,934)**	(59,770)
Net assets	**75,352**	58,288

Reconciliation of the above summarised financial position to the carrying amount of the interest in Zaozhuang Electronics recognised in the consolidated financial statements:

	2019	2018
	HK$'000	*HK$'000*
Net assets of the associate	**75,352**	58,288
Proportion of the Group's ownership interest in Zaozhuang Electronics	**40%**	40%
Carrying amount of the Group's interest in Zaozhuang Electronics	**30,141**	23,315

18. INTERESTS IN ASSOCIATES (continued)

Zaozhuang Electronics (continued)

Results for the year

	2019	2018
	HK$'000	*HK$'000*
Revenue	**156,738**	92,817
Profit and total comprehensive income for the year	**21,049**	7,731
Group's share of associate's profit for the year	**8,420**	3,092

Amounts due from associates

The amounts due from associates are non-trade nature, unsecured, interest-free and repayable on demand.

19. FINANCIAL ASSETS AT FVTPL/AVAILABLE-FOR-SALE INVESTMENTS

Amount represent unlisted equity securities of a private entity engaging in manufacturing and trading of aluminium formed foil in the PRC.

In current year, upon the application of HKFRS 9, the AFS investments was reclassified as financial assets at FVTPL. The directors of the Company are of the opinion that their fair values approximate to the carrying amounts recorded at cost at both the beginning and the end of the reporting period.

In prior year, it was measured at cost less impairment at the end of the reporting period as the directors of the Company were of the opinion that their fair values could not be measured reliably. No impairment was identified on these unlisted equity securities at the end of the reporting period.

20. INTANGIBLE ASSETS

The intangible assets represent club memberships with indefinite useful lives.

The club memberships currently have a second hand market and have no foreseeable limit to their useful lives. The directors of the Company are of the opinion that the Group will continue to hold the club memberships and has the ability to do so. The club memberships have been tested for impairment in the current year by reference to their second hand market values and no impairment loss has been identified for the current or prior year.

21. INVENTORIES

	2019	2018
	HK$'000	*HK$'000*
Raw materials	**48,137**	61,251
Work in progress	**27,369**	30,815
Finished goods	**71,972**	78,852
	147,478	170,918

22. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**160,105**	192,591
Loss: Allowance for credit losses	**(11,402)**	(10,809)
	148,703	181,782
Other receivables	**43,253**	55,014
Deposits	**3,253**	1,835
Prepayments	**5,482**	10,763
	200,691	249,394

At 31st March, 2019 and 1st April, 2018, trade receivables from contracts with customers amounted to HK$160,105,000 and HK$192,591,000, respectively.

The Group's trade and other receivables that are denominated in currencies other than functional currencies of the relevant group entities, as stated in note 32b, amounted to approximately HK$189,816,000 (2018: HK$227,938,000).

The Group has a policy of allowing credit periods ranging from 30 days to 120 days.

22. TRADE AND OTHER RECEIVABLES (continued)

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice date.

	2019	2018
	HK$'000	*HK$'000*
1 – 30 days	**81,838**	76,856
31 – 60 days	**30,785**	38,331
61 – 90 days	**25,209**	32,733
91 – 120 days	**4,169**	8,315
Over 120 days	**6,702**	25,547
	148,703	181,782

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

As at 31st March, 2019, included in the Group's trade receivables net of allowance for credit losses balance are debtors with aggregate carrying amount of HK$44,278,000 which are past due as at the reporting date. Out of the past due balances, HK$7,695,000 has been past due 90 days or more and is not considered as in default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables for the ended 31st March 2019 are set out in note 32b.

As at 31st March, 2018, included in the Group's trade receivable balance were debtors with aggregate carrying amount of HK$63,145,000 which were past due as at the reporting date for which the Group has not provided for impairment loss as the directors assessed that the balances will be recovered based on their settlement records. The Group does not hold any collateral over these balances.

22. TRADE AND OTHER RECEIVABLES (continued)

Aging of trade receivables which are past due but no impaired:

	2018
	HK$'000
1 – 30 days	36,775
31 – 60 days	8,532
61 – 90 days	2,484
91 – 120 days	5,739
Over 120 days	9,615
	63,145

Movement in the allowance for doubtful debts

	2018
	HK$'000
Balance at beginning of the year	8,055
Currency realignment	715
Impairment loss recognised	2,066
Amounts written off	(27)
Balance at end of the year	10,809

As at 31st March, 2018, included in the allowance for doubtful debts are individually impaired trade and other receivables with a balance of approximately HK$10,809,000 which have continuous delinquent payments. The Group does not hold any collateral over these balances.

Transfers of financial assets

The following were the Group's financial assets as at 31st March, 2018 that were transferred to suppliers by endorsing those receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables. These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

22. TRADE AND OTHER RECEIVABLES (continued)

Transfers of financial assets (continued)

	Bills receivables endorsed to suppliers with full recourse
	2018
	HK$'000
Carrying amount of transferred assets	27,446
Carrying amount of associated liabilities	(27,446)
Net position	–

23. BILLS RECEIVABLES

All the Group's bills receivables, based on issuance date as at 31st March, 2018, were aged within 90 to 270 days.

24. FINANCIAL ASSETS AT FVTPL/HELD FOR TRADING INVESTMENTS

Amount represents investment in equity securities listed in Hong Kong carried at fair value and bills at the end of each reporting periods.

25. PLEDGED BANK DEPOSIT/BANK BALANCES AND CASH

(a) Pledged bank deposit

As at 31st March, 2018, pledged bank deposit with original maturity of more than three months carried interest at variable rate of 0.45% per annum over three or six-month off-shore Chinese Renminbi Hong Kong Interbank Offered Rate ("HIBOR").

The bank deposit was pledged to secure the banking facilities granted to a PRC entity, which is owned by certain management personnel of Kunshan Technology. The banking facilities have a term of three years starting from March 2016. The pledged bank deposit would be released upon the settlement of the relevant bank borrowings, which was due more than twelve months after the end of the reporting period and therefore the amount was classified as a non-current asset as at 31st March, 2018.

During the year ended 31st March, 2019, the pledged deposit was fully discharged.

25. PLEDGED BANK DEPOSIT/BANK BALANCES AND CASH (continued)

(b) Bank balances

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

Bank balances are interest bearing at respective saving deposits rate in Hong Kong and in the PRC and the effective interest rates of the Group's bank balances ranged from 0.01% to 2.65% (2018: 0.01% to 2.75%) per annum.

The Group's pledged bank deposit, bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities as stated in note 32b, amounted to approximately HK$318,123,000 (2018: HK$46,532,000).

26. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables	**115,436**	186,947
Accrued charges	**74,662**	83,919
Other payables *(note)*	**100,128**	45,220
Deposits received from customers	**–**	10,032
Bills payables	**160**	6,275
	290,386	332,393

Note: Balance includes discretionary bonus awarded to the management of an associate, details are set out in note 18.

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

	2019	2018
	HK$'000	*HK$'000*
Up to 30 days	**49,272**	73,084
31 – 60 days	**14,115**	19,519
61 – 90 days	**20,762**	29,815
91 – 120 days	**14,711**	26,771
Over 120 days	**16,576**	37,758
	115,436	186,947

26. TRADE AND OTHER PAYABLES (continued)

All the Group's bills payables as at 31st March, 2019 and 2018 were due within 90 to 270 days.

The Group's trade and other payables and bill payables that are denominated in currencies, other than functional currencies of the relevant group entities as stated in note 32b, amounted to HK$292,764,000 (2018: HK$218,121,000).

27. CONTRACT LIABILITIES

	31st March, 2019	1st April, 2018*
	HK$'000	*HK$'000*
Deposits received from customers	**13,411**	10,032

* The amounts in this column are after the adjustments from the application of HKFRS 15.

No significant financing component is involved for the above contract liabilities as they are realised within one year.

The following table shows how much of the revenue recognised in the current year that was include in the contract liabilities balance at the beginning of the year.

	Amounts received in advance for sales of LCDs, LCMs, LCD-related products and LCD-related optical products
	HK$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	10,032

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

The Group receives 30% to 100% of the contract value as deposits from some customers when the sale order is issued. The entire amount of contract liabilities will be recognised as revenue when the customers obtained the control of LCDs, LCMs, LCD-related products and LCD-related optical products.

28. BANK BORROWINGS

	2019	2018
	HK$'000	*HK$'000*
Bank loans	**–**	52,189
Bank import loans	**–**	4,819
	–	57,008

The bank borrowings were fully repaid during the year.

As at 31st March, 2018, all the Group's borrowings were unsecured, repayable within three months but contained a repayment on demand clause and carried variable interest rates at HIBOR plus certain basis points from 1.65% to 1.75% and bank overdraft at the Hong Kong Dollar Prime Rate. The range of effective interest rates on the Group's borrowings was 1.65% to 3.63% per annum. The Group's borrowings that were denominated in currencies, other than functional currencies of the relevant group entities as stated in note 32b amounted to HK$57,008,000.

29. DEFERRED TAXATION

The deferred tax liabilities (assets) recognised and movements thereon during the current and prior years are as follows:

	Temporary differences on interest in an associate *(Note)*	**Undistributed profits in associates**	**Undistributed other comprehensive income in an associate**	**Accelerated tax depreciation**	**Temporary differences on allowance for receivables**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2017	32,371	27,886	–	43	(140)	60,160
Dividend withholding tax paid	–	(2,321)	–	–	–	(2,321)
Charge (credit) to profit or loss	–	5,960	–	63	(78)	5,945
Charge to other comprehensive income	–	–	247	–	–	247
Exchange realignment	2,451	3,297	–	–	–	5,748

29. DEFERRED TAXATION (continued)

	Temporary differences on interest in an associate *(Note)* *HK$'000*	Undistributed profits in associates *HK$'000*	Undistributed other comprehensive income in an associate *HK$'000*	Accelerated tax depreciation *HK$'000*	Temporary differences on allowance for receivables *HK$'000*	Total *HK$'000*
At 31st March, 2018	34,822	34,822	247	106	(218)	69,779
Dividend withholding tax paid	–	(9,533)	–	–	–	(9,533)
Charge (credit) to profit or loss:						
– Disposal of an associate	–	(4,551)	–	–	–	(4,551)
– Others	–	7,348	–	(110)	98	7,336
Credit to other comprehensive income	–	–	(432)	–	–	(432)
Exchange realignment	(2,331)	(2,440)	–	–	–	(4,771)
At 31st March, 2019	**32,491**	**25,646**	**(185)**	**(4)**	**(120)**	**57,828**

Note: Pursuant to the non-public offering of shares of Nantong Jianghai in 2016, the Group's interest in Nantong Jianghai increased, resulting in an increase in the temporary difference in interests in an associate. A deferred tax was recognised based on the applicable tax rate of 10% over the temporary difference.

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

At the end of the reporting period, the Group had unused tax losses approximately of HK$6,139,000 (2018: HK$12,810,000) and temporary differences on allowance for receivables of HK$727,000 (2018: HK$1,320,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses for both years due to the unpredictability of future profit streams. Included in unrecognised tax losses are HK$2,594,000 (2018: HK$6,708,000) that will expire within five years. The remaining unrecognised tax losses may be carried forward indefinitely.

30. SHARE CAPITAL

	Number of shares		Share capital	
	2019	2018	**2019**	2018
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised				
2,000 million ordinary shares of HK$0.2 each	**2,000,000**	2,000,000	**400,000**	400,000

	Number of shares	Share capital
	'000	*HK$'000*
Issued and fully paid		
At 1st April, 2017, 31st March, 2018 and 31st March, 2019	999,641	199,928

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's shares during both years.

31. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years. The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall structure through the payment of dividends, new share issues and share repurchases as well as the issue of new debt or the redemption of existing debt.

32. FINANCIAL INSTRUMENTS

32a. Categories of financial instruments

	2019	2018
	HK$'000	*HK$'000*
Financial assets		
Financial assets at amortised cost	**510,130**	–
Loans and receivables (including cash and cash equivalents)	**–**	346,255
AFS investments	**–**	2,739
Financial assets at FVTPL	**4,701**	–
Held for trading investments	**–**	111
Financial liabilities		
Financial liabilities at amortised cost	**236,685**	312,262

32b. Financial risk management objective and policies

The Group's financial instruments include AFS investments, held for trading investments, financial assets at FVTPL, trade receivables, other receivables, bills receivables, amounts due from associates, bank balances and cash, pledged bank deposit, trade and other payables, and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk equity price risk), credit risk and liquidity risk. 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.

Market risks

(i) Currency risk

Several subsidiaries of the Company have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 96% (2018: 96%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale, whilst approximately 92% (2018: 94%) of purchases of raw materials are denominated in currencies other than the functional currency of the group entities.

32. FINANCIAL INSTRUMENTS (continued)

32b. Financial risk management objective and policies (continued)

Market risks (continued)

(i) *Currency risk* (continued)

The carrying amount of the Group's significant monetary assets, including trade and other receivables, pledged bank deposit, bank balance and cash and monetary liabilities, including trade and other payables and bank borrowings, denominated at the currencies other than the functional currency of the relevant group entity, at the end of reporting period are as follows:

	Assets		**Liabilities**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
RMB	**321,728**	176,224	**165,533**	194,639
Swiss Franc ("CHF")	**35,846**	35,254	**36,273**	23,402
Taiwan dollars ("NT$")	**4,384**	5,077	**873**	2
Japanese Yen ("JPY")	**449**	323	**376**	2,075
United States dollars ("US$")	**135,777**	92,846	**29,410**	78,413

32. FINANCIAL INSTRUMENTS (continued)

32b. Financial risk management objective and policies (continued)

Market risks (continued)

(i) *Currency risk* (continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant group entities against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in post-tax profit where the functional currency of the relevant group entities weaken 5% against relevant currency. For a 5% strengthening of the functional currency of the relevant group entities against the relevant currency, there would be an equal and opposite impact on the post-tax profit, and the balances below would be negative.

	2019	2018
	HK$'000	*HK$'000*
CHF	**(18)**	495
RMB	**6,521**	(769)
NT$	**147**	212
JPY	**3**	(73)

For the group entities with functional currencies in the HK$, as the HK$ is pegged to the US$, the exposure of a fluctuation in exchange risk of the HK$ against the US$ is not considered significant and thus the effect is not considered in the sensitivity analysis.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

32. FINANCIAL INSTRUMENTS (continued)

32b. Financial risk management objective and policies (continued)

Market risks (continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 25 for details).

The Group currently does not have any interest rate hedging policy. The management of the Group monitors the Group's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

Sensitivity analysis

No sensitivity analysis is presented since the directors of the Company consider the exposure of cash flow interest rate risk arising from variable-rate bank balances is limited due to their short maturities.

(iii) Equity price risk

The Group is exposed to equity price risk through their investments in equity securities measured at FVTPL (2018: held for trading investments). The Group's equity price risk is concentrated on equity instruments quoted on the Stock Exchange. The management manages the exposure to price risk by maintaining a portfolio of investments with different risk and return profiles. The management considers the Group's exposure to equity price risk insignificant as the amount of held for trading investment is immaterial and accordingly, no sensitivity analysis is presented.

32. FINANCIAL INSTRUMENTS (continued)

32b. Financial risk management objective and policies (continued)

Credit risk and impairment assessment

At the end of the reporting period, the carrying amount of the respective recognised financial assets stated in the consolidated statement of financial position as trade receivables, other receivables, amounts due from associates, bank balances and pledged bank deposit represents the Group's maximum exposure to credit risk which will cause of financial loss due to failure to discharge an obligation by the counterparties.

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines corresponding credit limits. Credit quality and limit attributed to customers are reviewed regularly. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2018: incurred loss model) on trade balances individually and/or collectively.

Other receivables

For other receivables, management of the Group make periodic individual assessment under 12m ECL on the recoverability of other receivables based on historical settlement records and past history. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables.

Amounts due from associates

The credit risk arising from amounts due from associates are limited as the amount involved is insignificant to the Group.

32. FINANCIAL INSTRUMENTS (continued)

32b. Financial risk management objective and policies (continued)

Credit risk and impairment assessment (continued)

Bank balances/pledged bank deposit

The credit risks on bank balances and pledged bank deposit are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk except for trade receivables as below.

The amounts due from the Group's five largest debtors which are all engaged in manufacturing and trading of electronic consumer products in Hong Kong, other regions of the PRC and United States of America and with a good payment history, accounted for 17% (2018: 22%) of the Group's total trade receivables. The Group will monitor the level of exposures to ensure that follow up actions and/or corrective measures are taken promptly to lower the risk exposure or to recover the overdue balances. Other than the above, the Group has no other significant concentration risk, with exposures spread over a large number of counterparties and customers.

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

31st March, 2019	*Notes*	External credit rating	12-month or lifetime ECL	Gross carrying amount *HK$'000*
Financial assets at amortised cost				
Trade receivables	*22*	N/A	Lifetime ECL (individually and/or collective assessment)	**160,105**
Other receivables	*22*	N/A	12m ECL	**43,253**
Amounts due from associates	*18*	N/A	12m ECL	**51**
Bank balances	*25*	(Note)	12m ECL	**316,815**

Note: Bank balances are deposited with financial institutions with high credit rating and are considered low credit risk financial assets. The directors of the Company consider these assets are short-term in nature and the probability of default is negligible on the basis of high-credit ratings. Therefore, no impairment allowance are made on theses balances.

32. FINANCIAL INSTRUMENTS (continued)

32b. Financial risk management objective and policies (continued)

Credit risk and impairment assessment (continued)

During the year ended 31st March, 2019, the Group provided HK$1,246,000 impairment allowance for trade receivables, based on provision matrix.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL, not credit impaired *HK$'000*	Lifetime ECL, credit impaired *HK$'000*	Total *HK$'000*
At 31st March, 2018 under HKAS 39 and 1st April, 2018 under HKFRS 9	–	10,809	10,809
Impairment loss recognised	–	1,246	1,246
Amounts written off	–	(4)	(4)
Exchange realignment	–	(649)	(649)
At 31st March, 2019	**–**	**11,402**	**11,402**

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

32. FINANCIAL INSTRUMENTS (continued)

32b. Financial risk management objective and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of banking facilities and ensures compliance with loan covenants.

As at 31st March, 2019, the Group's banking facilities amounted to approximately HK$163,000,000 (2018: HK$222,000,000) of which approximately HK$160,000 (2018: HK$58,589,000) were utilised for issuance of letters of credit, bills payables and bank borrowings.

Liquidity tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The tables have 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. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the bank choosing to exercise its rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The carrying amounts of financial liabilities represent the undiscounted cash flows that the Group is required to pay.

	Weighted average effective interest rate		**Total undiscounted cash flows and carrying amount, on demand or less than 3 months**	
	2019	2018	**2019**	2018
	%	*%*	***HK$'000***	*HK$'000*
Non-derivative financial liabilities				
Trade and other payables	**–**	–	**236,685**	255,254
Bank borrowings – variable rate	**–**	2.86	**–**	57,008
			236,685	312,262

32. FINANCIAL INSTRUMENTS (continued)

32b. Financial risk management objective and policies (continued)

Liquidity risk (continued)

Liquidity tables (continued)

Bank borrowings with a repayment on demand clause are included in the "On demand or less than 3 months" time band in the above maturity analysis. At 31st March, 2018, the aggregate undiscounted principal amounts of these bank loans amounted to HK$57,008,000. Taking into account the Group's financial position, the directors of the Company do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank borrowings will be repaid after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK$57,064,000.

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

32. FINANCIAL INSTRUMENTS (continued)

32c. Fair value measurements of financial instruments

The following table gives information about how the fair value of the financial asset is determined.

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	31st March, 2019	31st March, 2018		
	HK$'000	*HK$'000*		
Financial assets at FVTPL				
– bills *(note 24)*	**1,848**	–	Level 3	Discounted cash flow/ Discount rate
– listed equity securities *(note 24)*	**114**	–	Level 1	Quoted bid prices in an active market
– unlisted equity securities *(note 19)*	**2,739**	–	Level 3	Income capitalisation approach/Growth rate and discount rate
Held for trading investments *(note 24)*	**–**	111	Level 1	Quoted bid prices in an active market

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

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

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

33. CAPITAL COMMITMENT

	2019 HK$'000	2018 HK$'000
Expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Acquisition of plant and machinery	**17,072**	30,694

34. OPERATING LEASE COMMITMENT

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	2019 HK$'000	2018 HK$'000
Within one year	**819**	609
In the second to fifth years inclusive	**594**	–
	1,413	609

The amounts represent rentals receivable by the Group for the leasing of office premise classified as investment properties. Leases are generally negotiated for fixed terms of three years.

The Group as lessee

Minimum lease payments paid under operating leases for rented premises and rented motor vehicles during the year amounted to approximately HK$5,262,000 (2018: HK$5,649,000) and HK$768,000 (2018: HK$1,359,000) respectively.

34. OPERATING LEASE COMMITMENT (continued)

The Group as lessee (continued)

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2019		2018	
	Rented premises	**Motor vehicles**	Rented premises	Motor vehicles
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Within one year	**2,766**	**742**	4,983	599
In the second to fifth year inclusive	**6,676**	**691**	6,107	575
More than five years	**–**	**–**	113	–
	9,442	**1,433**	11,203	1,174

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

35. SHARE AWARD SCHEME

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

The share award scheme of the Company was adopted by the board of directors on 24th October, 2012. Pursuant to the share award scheme, existing shares will be purchased by the trustee from the market out of cash contributed by the Group and be held in trust for the relevant selected participants until such shares are vested upon retirement age or the fifth year of service with the relevant selected participants in accordance with the provisions of the scheme, whichever is earlier. When the selected participant has satisfied all vesting conditions specified by the board at the time of making the award and become entitled to the shares forming the subject of the award, the trustee shall transfer the relevant vested shares to that qualifying person.

35. SHARE AWARD SCHEME (continued)

Recognition of equity-settled share-based payment expenses under share award scheme during the year was approximately HK$4,029,000 (2018: HK$17,709,000).

(i) Movements in the number of unvested awarded shares were as follows:

	Number
At 1st April, 2017	10,876,000
Awarded *(note a)*	4,540,000
Vested *(note b)*	(4,774,000)
Forfeited	(1,018,000)
At 31st March, 2018	9,624,000
Awarded *(note a)*	3,240,000
Vested *(note b)*	(2,796,000)
Forfeited	(590,000)
At 31st March, 2019	9,478,000

Notes:

(a) All the awarded shares are purchased from the market.

(b) These represent awarded shares vested during the year.

(c) At 31st March, 2018 and 2019, the fair value on the grant date of the shares awarded during the year are approximately HK$20,839,000 and HK$3,434,000, respectively which was determined based on the quoted share price of the Company on that date.

35. SHARE AWARD SCHEME (continued)

(ii) The remaining vesting periods of the awarded shares outstanding are as follows:

Remaining vesting period	At 31st March Number of awarded shares 2019	 2018
Less than 5 years	**6,092,400**	5,677,200
More than 5 years	**3,385,600**	3,946,800
	9,478,000	9,624,000

36. RETIREMENT BENEFIT PLANS

The Group participates in a MPF Scheme for all qualifying employees in Hong Kong. The assets of the MPF Schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of the relevant payroll costs to the MPF Scheme, which contribution is matched by employees.

The retirement benefit scheme contributions arising from the MPF Scheme charged in profit or loss represent contributions paid or payable to the funds by the Group at rates specified in the rules of the schemes.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government in the PRC. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total cost charged to profit or loss of approximately HK$9,877,000 (2018: HK$9,999,000) represents contributions payable to these schemes by the Group in respect of the current year.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings	**Dividend payable to non-controlling interests**	**Dividend payable**	**Payable for purchase of shares for share award scheme**	**Total**
	HK$'000 *(Note)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1st April, 2017	46,971	–	–	–	46,971
Financing cash flows	8,723	(3,373)	(59,978)	(4,680)	(59,308)
Finance costs	1,652	–	–	–	1,652
Shares held for share award scheme	–	–	–	4,680	4,680
Foreign exchange translation	(338)	–	–	–	(338)
Declaration of dividend	–	3,373	59,978	–	63,351
At 31st March, 2018	57,008	–	–	–	57,008
Financing cash flows	(58,287)	(42,103)	(49,982)	(4,730)	(155,102)
Finance costs	1,237	–	–	–	1,237
Shares held for share award scheme	–	–	–	4,730	4,730
Foreign exchange translation	42	–	–	–	42
Declaration of dividend	–	42,103	49,982	–	92,085
At 31st March, 2019	**–**	**–**	**–**	**–**	**–**

Note: The financing cash flows from bank borrowings make up the net amount of new bank borrowings raised, repayment of bank borrowings and interest paid on bank borrowings in the consolidated statement of cash flows.

38. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2019	2018
	HK$'000	*HK$'000*
Short-term benefits	**8,717**	9,751
Share-based payment expenses	**405**	289
Post-employment benefits	**304**	341
	9,426	10,381

The remuneration of directors who are also key management personnel, is determined by the remuneration committee having regard to the performance of individual and market trends.

39. MAJOR NON-CASH TRANSACTIONS

During the year, the Group transferred prepayment for acquisition of plant and equipment to property, plant and equipment of approximately HK$2,875,000 (2018: HK$16,594,000).

40. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2019	2018
	HK$'000	*HK$'000*
Non-current asset		
Investments in subsidiaries	**83,384**	83,384
Current assets		
Amounts due from subsidiaries	**520,182**	487,494
Other assets	**7,850**	551
Tax recoverable	**32**	–
	528,064	488,045
Current liabilities		
Accrued charges	**8,727**	5,676
Amounts due to subsidiaries	**76,586**	139,508
Tax payable	**–**	17
	85,313	145,201
Net current assets	**442,751**	342,844
Total assets less current liabilities	**526,135**	426,228
Capital and reserves		
Share capital	**199,928**	199,928
Reserves	**326,207**	226,300
	526,135	426,228

40. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement of reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Share award reserve HK$'000	Shares held for share award scheme HK$'000	Contributed surplus HK$'000	Retained profits HK$'000	Total HK$'000
At 1st April, 2017	110,750	10,132	4,679	(18,948)	49,259	64,964	220,836
Profit and total comprehensive income for the year	–	–	–	–	–	52,413	52,413
Dividends recognised as distribution	–	–	–	–	–	(59,978)	(59,978)
Shares purchased for share award scheme	–	–	–	(4,680)	–	–	(4,680)
Recognition of equity-settled share-based payment expenses under share award scheme (note 35)	–	–	17,709	–	–	–	17,709
Shares vested under share award scheme (note 35)	–	–	(15,733)	8,187	–	7,546	–
At 31st March, 2018	**110,750**	**10,132**	**6,655**	**(15,441)**	**49,259**	**64,945**	**226,300**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**150,590**	**150,590**
Dividends recognised as distribution	**–**	**–**	**–**	**–**	**–**	**(49,982)**	**(49,982)**
Shares purchased for share award scheme	**–**	**–**	**–**	**(4,730)**	**–**	**–**	**(4,730)**
Recognition of equity-settled share-based payment expenses under share award scheme (note 35)	**–**	**–**	**4,029**	**–**	**–**	**–**	**4,029**
Shares vested under share award scheme (note 35)	**–**	**–**	**(4,163)**	**4,261**	**–**	**(98)**	**–**
At 31st March, 2019	**110,750**	**10,132**	**6,521**	**(15,910)**	**49,259**	**165,455**	**326,207**

40. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement of reserves (continued)

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of Yeebo (B.V.I.) Limited at the date on which it was acquired by the Company, and the nominal amount of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1993. 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 the 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.

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) Details of the Company's principal subsidiaries at 31st March, 2019 and 2018 were as follows:

Name of subsidiary	Legal form of business	Place of incorporation or registration/ operations	Issued and fully paid up share/ registered capital	Percentage of nominal value of issued shares/registered capital held by the Company 2019	2018	Principal activities
Billion Power Investment Limited *(Notes 1 and 2)*	Incorporated	Hong Kong	HK$1	**100%**	100%	Investment holding
Crown Capital *(Notes 1, 2 and 3)*	Incorporated	BVI	US$8,502	**47.05%**	47.05%	Investment holding
Faith Crown International Limited *(Note 1)*	Incorporated	BVI	US$1	**100%**	100%	Investment holding
Jiangmen Yeebo Electronics Technology Co., Ltd. *(Note 1)* 江門億都電子科技有限公司	Wholly-owned foreign enterprise	The PRC	US$3,708,314 registered capital	**100%**	100%	Manufacture of LCMs
Jiangmen Yeebo Semiconductor Co., Ltd. *(Note 1)* 江門億都半導體有限公司	Wholly-owned foreign enterprise	The PRC	US$53,001,371 registered capital	**100%**	100%	Manufacture of LCDs and LCMs
Yeebo (B.V.I.) Limited *(Notes 1 and 2)*	Incorporated	BVI	US$8,100	**100%**	100%	Investment holding
Yeebo Display Limited *(Note 1)*	Incorporated	Hong Kong	HK$10,000	**100%**	100%	Trading of LCDs and LCMs
Yeebo LCD Limited *(Note 1)*	Incorporated	Hong Kong	HK$10,000	**100%**	100%	Trading of LCDs and LCMs and investment holding
Yeebo Manufacturing Limited *(Note 1)*	Incorporated	Hong Kong	HK$10,000	**100%**	100%	Trading of LCDs and LCMs
Shenzhen Yeebo Electronics Technology Co., Ltd. 深圳億都電子科技有限公司 *(Note 1)*	Wholly-owned foreign enterprise	The PRC	RMB20,000,000 registered capital	**100%**	100%	Manufacture of LCD-related products

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(a) (continued)

Note 1: In the opinion of the directors, these subsidiaries principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note 2: The shares of these subsidiaries are directly held by the Company and the remaining subsidiaries are indirectly held by the Company.

Note 3: Crown Capital is considered as a subsidiary of the Group even though the Group has only a 47.05% ownership interest and has only 47.05% of the voting rights in Crown Capital since the date of incorporation and the remaining 52.95% of the ownership interests are held by seven independent shareholders. The Group has a sufficiently dominant voting interest to direct the relevant activities of Crown Capital and therefore the Group has control over Crown Capital.

None of the subsidiaries had any debt capital outstanding at the end of the year or at any time during the year.

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of the non-wholly owned subsidiary of the Company that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2019	2018	**2019**	2018	**2019**	2018
				HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Crown Capital	BVI	**52.95%**	52.95%	**29,322**	2,899	**23,764**	34,889
Individual immaterial subsidiaries with non-controlling interests				**4,347**	4,224	**(99)**	(750)
				33,669	7,123	**23,665**	34,139

Summarised financial information in respect of the Group's subsidiaries that has a material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Crown Capital

	2019	2018
	HK$'000	*HK$'000*
Current assets	**27,157**	2,411
Current liabilities	**(27,517)**	(6,350)
Non-current assets	**46,105**	69,029
Equity attributable to owners of the Company	**21,981**	30,201
Non-controlling interest	**23,764**	34,889

	2019	2018
	HK$'000	*HK$'000*
Revenue	**8,214**	6,086
Other gains and losses	**73,099**	–
Expenses	**(25,937)**	(611)
Profit for the year	**55,376**	5,475
Profit and total comprehensive income attributable to owners of the Company	**23,839**	5,526
Profit and total comprehensive income attributable to non-controlling interests	**26,829**	6,219
Profit and total comprehensive income for the year	**50,668**	11,745
Net cash inflow from operating activities	**1,069**	**260**
Net cash inflow from investing activities	**91,141**	**3,238**
Net cash outflow from financing activities	**(67,464)**	**(3,168)**
Net cash inflow	**24,746**	**330**

FINANCIAL SUMMARY

RESULTS

	For the year ended 31st March,				
	2015	2016	2017	2018	**2019**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Revenue	918,940	910,654	906,175	953,600	**934,152**
Profit before income tax	249,518	243,985	507,617	141,544	**359,994**
Income tax expense	(18,438)	(20,440)	(54,192)	(13,823)	**(37,578)**
Profit for the year	231,080	223,545	453,425	127,721	**322,416**
Attributable to:					
Owners of the Company	208,549	201,004	442,408	120,598	**288,747**
Non-controlling interests	22,531	22,541	11,017	7,123	**33,669**
	231,080	223,545	453,425	127,721	**322,416**

ASSETS AND LIABILITIES

	As at 31st March				
	2015	2016	2017	2018	**2019**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Total assets	1,518,563	1,642,227	1,996,389	2,303,408	**2,326,798**
Total liabilities	(304,385)	(298,019)	(392,216)	(474,721)	**(382,532)**
	1,214,178	1,344,208	1,604,173	1,828,687	**1,944,266**
Equity attributable to owners of the Company	1,193,712	1,308,619	1,577,270	1,794,548	**1,920,601**
Non-controlling interests	20,466	35,589	26,903	34,139	**23,665**
	1,214,178	1,344,208	1,604,173	1,828,687	**1,944,266**