



**YEEBO (INTERNATIONAL HOLDINGS) LIMITED**

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

**Annual Report  
2023/24**

# CONTENTS

Corporate Information	2
Directors and Senior Management	3
Chairman's Statement	7
Management Discussion and Analysis	9
Corporate Governance Report	16
Directors' Report	28
Independent Auditor's Report	39
Consolidated Statement of Profit or Loss and Other Comprehensive Income	44
Consolidated Statement of Financial Position	46
Consolidated Statement of Changes in Equity	48
Consolidated Statement of Cash Flows	51
Notes to the Consolidated Financial Statements	53
Financial Summary	138

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. FANG Yan Tak, Douglas  
Mr. LI Kwok Wai, Frankie  
Mr. LEUNG Tze Kuen  
Mr. CHEUNG Wai Man (appointed on 12 July 2024)  
Mr. CHU Chi Wai, Allan\*  
Mr. LAU Yuen Sun, Adrian\*  
Professor LAU Kei May\*

\* *independent non-executive director*

### COMPANY SECRETARY

Mr. LAU Siu Ki, Kevin

### AUDITOR

Deloitte Touche Tohmatsu

### REGISTERED OFFICE

Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

### 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

Ocorian Management (Bermuda) Limited  
Victoria Place, 5th Floor  
31 Victoria Street  
Hamilton HM 10  
Bermuda

### BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### PRINCIPAL BANKERS

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

UBS AG  
Hong Kong Branch  
2 International Finance Centre  
52/F, 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

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

Dah Sing Bank Limited  
248 Queen's Road East  
Wan Chai  
Hong Kong

Bank of Communications (Hong Kong) Limited  
20 Pedder Street  
Central  
Hong Kong

## DIRECTORS AND SENIOR MANAGEMENT

### EXECUTIVE DIRECTORS

**FANG Yan Tak, Douglas**, aged 51, is the Chairman of the Company and currently a director at Fang Brothers Holdings Limited (“Fang Brothers”), the ultimate holding company of the Company, 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 was appointed as a Non-executive Director in June 2014, and re-designated as an executive director and appointed as the Chairman in September 2022.

**LI Kwok Wai, Frankie**, aged 66, is the Chief Executive Officer of the Company 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 Company as a Director in November 1995.

**LEUNG Tze Kuen**, aged 61, 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 an MBA degree from Monash University, Australia. He is 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.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**CHU Chi Wai, Allan**, aged 72, has over 52 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 69, 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 general 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.

**LAU Kei May**, aged 69, is a Chair Professor of the Department of Electronic & Computer Engineering at the Hong Kong University of Science and Technology (“HKUST”). Prof. Lau received the B.S. and M.S. degrees in physics from the University of Minnesota, Minneapolis, and the PhD, Degree in Electrical Engineering from Rice University, Houston, Texas. Before joining HKUST in 2000, she had a brief stint in the electronics industry, and was a professor at the University of Massachusetts/Amherst for 18 years. Prof. Lau is a Fellow of the Institute of Electrical and Electronics Engineers (“IEEE”), the Optical Society (“OSA”) and the Hong Kong Academy of Engineering Sciences. She is also a recipient of the Institute of Engineering and Technology (IET) J J Thomson Medal for Electronics, OSA Nick Holonyak Jr. Award, IEEE Photonics Society Aron Kressel Award, and Hong Kong Croucher Senior Research Fellowship. She served as an editor of professional journals in her field. Prof. Lau joined the Company as an Independent Non-executive Director in March 2021.



## DIRECTORS AND SENIOR MANAGEMENT

### SENIOR MANAGEMENT

**TSUI Siu Keung**, aged 50, is the President of the display business responsible for the formation of overall strategic planning, business development and business management of LCD, LCM and CTP products. Mr. Tsui graduated from the Hong Kong Polytechnic University with a degree in manufacturing engineering. Mr. Tsui has over 24 years of experience in customer service management, sales, and marketing. Mr. Tsui has been involved in product development management since 2018. Mr. Tsui joined the Group in 2000.

**YANG Zhao Hui**, aged 52, is the Executive Vice President of the display business responsible for the production management of Capacitive Touch Panel (“CTP”), touch screen display module and Physical Vapor Deposition (“PVD”), and the management of the factory’s equipment and power system. He has extensive experience in LCD and CTP manufacturing, PVD process, equipment management, maintenance and management of automation equipment and project management. Mr. Yang joined the Group in 2004.

**HUANG Wen Hui**, aged 49, is the Vice President and the General Manager of the branch office in Taiwan, and responsible for facilitating and developing new business. Mr. Huang obtained the bachelor degree in chemical engineering at National Taiwan University, and the master’s degree in business administration at FuJen Catholic University. He has over 22 years’ experience in management of marketing, R&D, quality assurance and process technology. Mr. Huang joined the Group in 2004.

**CHEUNG Wai Man**, aged 48, is the Vice President of the Group responsible for the direct investment management, investor relations and financial management. Mr. Cheung is a director of various subsidiaries of the Company and Nantong Jianghai Capacitor Co., Ltd., an associate of the Group which shares are listed on the Shenzhen Stock Exchange. He is also currently a senior vice president of Fang Brothers. Mr. Cheung graduated from The Hong Kong Polytechnic University with a Bachelor of Arts (Honours) in Accountancy. He also holds an MBA degree from Fudan University, the People’s Republic of China. Mr. Cheung is a member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Prior to joining Fang Brothers in 2010, Mr. Cheung has worked for an international accounting firm and for listed companies with extensive experience in auditing, mergers and acquisitions, operational and financial management. Mr. Cheung joined the Group in 2023 and was appointed as an Executive Director of the Company with effect from 12 July 2024. On 12 July 2024, Mr. Cheung has (i) obtained legal advice from Messrs. Ronald Tong & Co, a firm of solicitors qualified to advise on Hong Kong law, as regards the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) that are applicable to him as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange pursuant to Rule 3.09D of the Listing Rules and (ii) confirmed he understood his obligations as a Director.

**XIE Hong Jun**, aged 46, is the Vice President responsible for sales and marketing for certain areas in the PRC and overseas markets. Mr. Xie has 24 years’ experience in LCD material control and marketing. Mr. Xie joined the Group in 2000.

**XU Xiu Yan**, aged 45, is the Vice President mainly responsible for sales and marketing for overseas market. Ms. Xu graduated from Guangdong University of Foreign Studies with a bachelor’s degree in Business Management. Ms. Xu has been working in the field of customer service management, sales and marketing for over 21 years. Ms. Xu joined the Group in 2002.

## DIRECTORS AND SENIOR MANAGEMENT

**Wu Geng Hau**, aged 49, is the Vice President responsible for project management (“PM”) and research and development (“R&D”). Mr. Wu obtained a master’s degree in engineering from Feng Chia University in Taiwan. He has over 18 years’ experience in management of PM, R&D and process technology. Mr. Wu joined the Group in 2006.

**Yang Luan Xia**, aged 47, is the Vice President responsible for the production and management of Liquid Crystal Display Modules (“LCM and TFT modules”) and Capacitive Touch Panel module (“CTP”). Ms. Yang has over 26 years’ experience of manufacturing and management experience in the LCD display industry, and is adept at target management and overall planning. Ms. Yang joined the Group in 2009.

**Wang Xiao San**, aged 50, is the Senior Manager responsible for PRC finance, import and export operations and logistics system management, and has broad experience in finance, taxation and credit management. He is a senior accountant and a member of the China Certified Tax Agents Association. Mr. Wang joined the Group in 2006.

**YANG Ying Jun**, aged 57, 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. Mr. Yang joined the Group in 2005.

**XIE Wen Zhen**, aged 53, 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.

**WU Hong Jin**, aged 55, is the Senior Manager responsible for the factory management in Guangxi province. Mr. Wu has 32 years experience in LCD industry. He graduated from South China Normal University. Mr. Wu joined the Group in 2013.

**CHEN Chuan Hao**, aged 48, is the Senior Manager responsible for sales and marketing in Japan and Taiwan. Mr. Chen graduated from the Japanese Department of National Chengchi University of Taiwan, and has extensive experience in handling high-demand Japanese customers. Mr. Chen joined the Group in 2009.

**CAO Jun**, aged 46, is the Senior Manager mainly responsible for sales and marketing for overseas market. Mr. Cao graduated from Wuyi University with a bachelor’s degree in Telecommunications Engineering. Mr. Cao has been working in the field of customer service management, sales and marketing for 16 years, Mr. Cao joined the Group in 2008.



## DIRECTORS AND SENIOR MANAGEMENT

**MOU Li Chang**, aged 42, is the Senior Manager responsible for PVD coating manufacturing, production technology and equipment management, LCD manufacturing, production technology management, and information technology and digital business. Mr. Mou graduated from Chongqing University with a bachelor's degree in Applied Physics. Mr. Mou has over 20 years of experience in LCD and Displays products development, manufacturing and production technology management. Mr. Mou joined the Group in 2004.

**YANG Xiao Dong**, aged 42, is the Senior Manager responsible for the development of LCD and Displays products and the management of customer technical support. Mr. Yang has over 19 years of senior technical work experience in the LCD industry and graduated from Hebei University of Technology, one of the Project 211 Universities in China, majoring in LCD Physics. Mr. Yang joined the Group in 2005.

**LUO Yong Sheng**, aged 42, is the Senior Manager responsible for the engineering manufacturing and production technology control of the new TFT and CTP Display. Mr. Luo has 20 years of experience in engineering manufacturing and production technology control in LCD, LCM, touch screens, and touch screen display modules. Mr. Luo joined the Group in 2013.

**Guo Ji Hui**, aged 42, is the Senior Manager responsible for the quality management of LCD\LCM\TFT\CTP. Mr. Guo has 20 years of relevant working experience in product development/quality management and joined the Group in 2004.

**ZHANG Guo Hua**, aged 46, is the Senior Manager responsible for the maintenance, management, optimisation and improvement of the production automation equipment and power equipment and facilities throughout the factory, and the construction of production lines. Mr. Zhang has over 20 years of senior technical working experience in equipment and factory management as well as production line construction. Mr. Zhang joined the Group in 2003.

## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the "Board") of Yeebo (International Holdings) Limited, ("Yeebo" or the "Company"), I present the results of the Company and its subsidiaries (which are collectively referred to as the "Group") for the year ended 31 March 2024 (the "Year").

The business environment was complicated and volatile during the Year. The post-COVID-19 pandemic recovery fell short of expectations. Interest rates stayed at high levels. Geopolitical tensions were intensifying. As anticipated by the slower and more challenging macro-economic conditions, the Group's revenue decreased to HK\$937 million for the Year from approximately HK\$1,326 million for the year ended 31 March 2023 ("the previous financial year"). If we exclude all non-recurring gains related to the associates in the previous financial year, profit attributable to owners of the Company decreased by approximately 31% to HK\$177 million for the Year from HK\$256 million for the previous financial year.

For our business of liquid crystal displays (LCD) and display modules, the core elements of our corporate growth strategy and business plan remained unchanged: i) a keen focus in the new product developments for industrial and medical applications; ii) a relentless drive for higher value-add and customized content in our product offering; and iii) winning greater wallet share among our leading customers. We obtained ISO 13485 certification for Medical Devices Quality Management Systems during the Year, a key qualification in supporting our growth in the medical and life science devices. We have also continued to work on improving our operational efficiency and cost control, and raising the levels of automation and customer services.

Nantong Jianghai Capacitor Co., Ltd. ("Nantong Jianghai") is the only company of its kind to have the capabilities to develop, produce and distribute a comprehensive range of capacitors: (i) small to large-sized aluminium electrolytic capacitors, (ii) thin-film capacitors, and (iii) supercapacitors in mainland China. It also has a well-established, long-term customer base and dominant presence in the market. Despite increased market volatility throughout the Year and the ever-hyper competitive domestic market, Nantong Jianghai managed to largely hold its own for the Year, and gained wallet share from some of its largest and strategic customers. Revenue and profit for the Year decreased marginally by 3.5%, to HK\$5.2 billion, and by 1.6% to HK\$750 million, respectively. A hard earned and well deserved yearly result. The Group's stake in Nantong Jianghai has reduced from 29.10% from the previous year to 28.83%, and the share of profit decreased by 5.0% to HK\$217.2 million.

As at 31 March 2024, the Group held 245,021,000 shares, representing 28.83%, in Nantong Jianghai with a market value of HK\$4.0 billion. In March 2024, the Group entered into an agreement to sell its 20.02% equity stake in Nantong Jianghai for a cash consideration of about RMB3.23 billion to Zhejiang Construction Investment Group Company Limited, a wholly owned subsidiary of Zhejiang Communications Investment Group Co., Ltd. The transaction was approved at Yeebo's special general meeting on 17 April 2024. This marked another significant milestone for both the Company and Nantong Jianghai. We are very buoyant and positive on its prospect. While Nantong Jianghai will retain the agility and flexibility of a market-driven corporate entity, it will also have the distinct advantage of accessing the resources and opportunities typically exclusive to the state-owned enterprises. Upon the completion of the deal, Yeebo retains an 8.81% stake in Nantong Jianghai and stays on as a meaningful minority stakeholder of it.



## CHAIRMAN'S STATEMENT

Suzhou QingYue Optoelectronics Technology Co., Ltd. (“Suzhou QingYue”) is one of the global leaders in passive mode organic light emitting diode (“PMOLED”). Due to the cyclical fluctuations in demand for various end-use applications during the Year, Suzhou QingYue saw its revenue decreased by 48.9% to HK\$649 million, and the Group’s share of loss of Suzhou QingYue was HK\$40.6 million, against the share of profit of HK\$13.2 million for the previous financial year. Specifically, revenue from the PMOLED business decreased because of (i) the reduced demand for downstream applications, and (ii) the downward pressure on gross margins faced by the e-paper module business. To cope with the challenges, Suzhou QingYue strengthened its internal management and broadened the addressable markets for its products. It continued to invest in research and development across its three major business segments during the Year with the aim of further consolidating its leading position. As at 31 March 2024, the Group held 126,345,600 shares, representing 28.08%, in Suzhou QingYue with a market value of HK\$1.6 billion.

Not to be saddled by the economic volatilities and operating challenges, there were also achievements and milestones in the Year that were worth celebrating and would set up the Company nicely for the years to come. This Year marked the beginning of Yeebo’s corporate transformation journey. It had been a long and studied approach, as the Company carefully analyzed market trends, competitive landscapes, and technological roadmaps to ensure a successful transformation. In June 2023, the Company acquired a small minority stake in a private graphics processing unit chips company. This investment not only bolstered the Group’s technical expertise but also solidified its commitment to the Artificial Intelligence (“AI”) compute market. With a clear two-pronged plan – encompassing both operational initiatives and strategic investments – the Company has set its sights on becoming a leader in the AI compute space.

We are grateful for the shareholders’ enduring trust and support. The Board recommends a final dividend of HK5.0 cents per share for the Year.

On behalf of the Board, 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 Yan Tak, Douglas**

*Chairman*

28 June 2024

# MANAGEMENT DISCUSSION AND ANALYSIS

## REVIEW OF OPERATIONS

The Group recorded a consolidated revenue for the year ended 31 March 2024 (the “Year”) of approximately HK\$937 million (2023: HK\$1.33 billion), representing a decrease of 29% as compared with that for the preceding year. Profit attributable to owners of the Company was approximately HK\$177 million (2023: HK\$615 million), representing a decrease of HK\$438 million. The decline in profit was mainly attributable to the non-recurring gains on the disposal of certain shares in Nantong Jianghai Capacitor Company Ltd. (“**Nantong Jianghai**”), an associate of the Company, and on the deemed disposal of the Group’s investments in Suzhou QingYue Optoelectronics Technology Co., Ltd. (“**Suzhou QingYue**”), another associate of the Company, pursuant to the listing of its shares on the Science and Technology Innovation Board of the Shanghai Stock Exchange in previous year; as well as the decrease in revenue from the displays business and share of results of associates for the Year.

The overall business was stagnant and customers preferred to err on the side of caution throughout the Year. Factors such as keen competition, weak external sentiment, persistently high interest rates and geopolitical tensions have inevitably affected our business.

Our range of products includes Liquid Crystal Display (“**LCD**”), Liquid Crystal Display module (“**LCM**”), Thin Film Transistor module (“**TFT**”) and Capacitive Touch Panel module (“**CTP**”). Revenue from the sales of LCD, LCM, TFT and CTP decreased by 23%, 33%, 40% and 18% to HK\$138.3 million, HK\$368.0 million, HK\$167.3 million and HK\$263.0 million respectively. We have been focusing on enhancing our CTP-related equipment to meet the increasing demand for CTP applications. The revenue from CTP has made a growing contribution to the Group’s total revenue for the Year.

By implementing the Strategic Client Program, the Group is able to elevate its service standards and provide customers with more precise and top-notch services that align with their specific needs. With a strategic focus on high-growth business segments like engineering machinery and medical equipment, the Group is well-prepared to take advantage of upcoming opportunities in the market.

As a result of the under utilization of production capacity during the Year due to a drop in revenue, the gross profit margin decreased from 16.8% to 15.4%. Gross profit for the Year amounted to HK\$143.9 million as compared with HK\$223.3 million for the preceding year.

Other income amounted to approximately HK\$23.7 million (2023: HK\$31.9 million), representing a decrease of HK\$8.2 million. The drop was mainly due to the decrease in interest income from debt investments at amortised cost.

Other gains and losses amounted to a net gain of approximately HK\$9.2 million (2023: a net loss of HK\$13.3 million). The increase in net gain was mainly due to the recognition of impairment losses on property, plant and equipment in the previous year.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded an allowance on credit loss for debt investments at amortised cost of HK\$14.3 million (2023: HK\$56.6 million) and a loss on derecognition of debt investments at amortised cost of HK\$3.4 million for the Year (2023: a gain on derecognition of HK\$8.7 million). In September 2023, the issuer of the debt investments at amortised cost (the “**Issuer**”) obtained the consent of the bondholders to further extend the maturity date of all debt investments issued by the Issuer by four years to June 2028 and September 2029. The investment was reflected in the consolidated statement of financial position as debt investments at amortised cost with a carrying value of approximately HK\$17.6 million (2023: HK\$32.9 million). The directors of the Company are closely monitoring the situation and will take necessary actions where appropriate.

Selling and distribution expenses amounted to approximately HK\$78.2 million (2023: HK\$98.0 million). The decrease was mainly due to the decrease in business promotion expenses, transportation expenditures and staff-related costs.

Administrative expenses amounted to approximately HK\$36.2 million (2023: HK\$39.4 million). The decrease was mainly attributable to the decrease in staff-related costs.

## INVESTMENTS IN ASSOCIATES

### Investment in Nantong Jianghai

Nantong Jianghai, the Group’s 28.83%-owned associate, is mainly engaged in the manufacture and sales of aluminium electrolytic, thin film and super capacitors, and the production and sales of aluminium foil for high-performance aluminium electrolytic capacitors.

Despite the keen competition and intensified involution, Nantong Jianghai delivered solid results for the Year. The Group’s share of profit from Nantong Jianghai for the Year amounted to HK\$217.2 million, as compared with HK\$228.6 million in the preceding year. The slight drop in share of profit from Nantong Jianghai was due to the decrease in shareholding in Nantong Jianghai from 31.06% immediately before the Group started to divest part of its investment in Nantong Jianghai on 31 May 2022 to 28.83% as at 31 March 2024.

Aluminum electrolytic capacitors remain the cornerstone of Nantong Jianghai’s business and development. With the competitiveness of its products and its ability to expand into different applications, Nantong Jianghai was able to capture the increasing demand in aluminum electrolytic capacitors and thin film capacitors, especially in sectors such as new energy, energy storage, electric vehicles and charging piles. Solid-state laminated aluminum electrolytic capacitors, being one of the key components of AI applications, will certainly play an important lead in Nantong Jianghai’s future growth. Nantong Jianghai places great emphasis on its market-oriented development strategy. Its primary goals include expanding and deepening customer connections, enhancing core competitiveness, and achieving growth in both revenue and profitability. Moreover, Nantong Jianghai is committed to further solidifying its foundation for sustainable and healthy development.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group entered into an agreement in March 2024 to dispose of 20.02% equity stake or 170,130,000 shares in Nantong Jianghai for a cash consideration of about RMB3.23 billion to Zhejiang Construction Investment Group Company Limited, a wholly owned subsidiary of Zhejiang Communications Investment Group Co., Ltd (the “**Transaction**”). The Transaction is pending approval from the relevant authorities and the related gain on disposal is expected to be recorded in the year ending 31 March 2025. Upon completion of the Transaction, the Group will continue to own 74,891,000 shares in, representing 8.81% of the total issued share capital of, Nantong Jianghai and Nantong Jianghai will cease to be an associate of the Company. The remaining Nantong Jianghai shares owned by the Group will be measured at fair value through profit or loss in the Group’s consolidated financial statements. Further details of the Transaction were set out in the Company’s circular to the shareholders dated 28 March 2024.

### Investment in Suzhou QingYue

Suzhou QingYue, the Group’s 28.08%-owned associate, is engaged in the production and sales of passive mode organic light-emitting diodes (“**PMOLED**”), e-paper modules and Micro-OLED. The Group’s share of loss from Suzhou QingYue amounted to approximately HK\$40.6 million for the Year, as compared with a share of profit of HK\$13.2 million in the preceding year.

The notable decrease in revenue and gross profit within the PMOLED and e-paper modules business segments coupled with the absorption of a hefty value added tax were the key factors leading to the transition from profit to loss for the Year. During the Year, the PMOLED business witnessed a decline primarily due to price competition, margin squeeze and the sluggish demand for downstream applications such as medical devices, security products and household applications. In addition, the e-paper module business faced a decrease in sales as a result of the reduced demand from its major customer.

The Micro-OLED business segment is gradually building up new customer base in the “near-eye” display sector, augmented reality (“**AR**”) and virtual reality (“**VR**”) markets. As in its initial stage of mass production, the Micro-OLED is experiencing a learning curve in enhancing the production yield and efficiency.

With the aim of improving its operational results, Suzhou QingYue is taking steps to strengthen its internal management and expand its market presence in PMOLED, e-paper modules, and Micro-OLED, with particular focus on expanding the customer base across its business segments. Concurrently, Suzhou QingYue remains committed to investing in research and development for Micro-OLED technology with the aim of capitalising on emerging market prospects, especially in the field of AR and VR.

### Investment in Zaozhuang Reinno Electronics Technology Co., Ltd. (“**Zaozhuang Reinno**”)

Zaozhuang Reinno, the Group’s 33.33%-owned associate, is engaged in the development, manufacturing and sales of OLED-related materials, flexible printed circuits and other electronic products. The Group’s share of loss from Zaozhuang Reinno amounted to approximately HK\$24.7 million for the Year, which was mainly due to an allowance on credit losses on trade receivables being made, as compared with a share of profit of HK\$773,000 in the preceding year.



## MANAGEMENT DISCUSSION AND ANALYSIS

### INCOME TAX

Effective tax rate in relation to the Group's core business (income tax expenses excluding the withholding tax on undistributed profits in associates as a percentage of profit before income tax excluding the share of results of associates) was 13% (2023: 13%).

### PRINCIPAL RISKS AND UNCERTAINTIES

A variety of factors impact the outcomes and business operations of the Group. The primary risk is the uncertainty in the economic environment, both globally and in the People's Republic of China (the "PRC", for this report, excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan), given the ongoing tensions between the PRC and the United States of America, the Russo-Ukrainian conflict, the Israeli-Palestinian conflict and high interest rates. The intense competition in the displays market will also affect the Group's profitability. Additionally, labor shortages and wage increases may have an impact on the Group's cost structure.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group places a strong emphasis on corporate social responsibility, with a focus on environmental sustainability as a key priority. A systematic approach has been implemented to incorporate green and sustainable practices into its operations, including initiatives such as environmentally friendly product design, carbon emission reduction, process management, energy and resource management, and supply chain management. These measures are aimed at reducing the Group's environmental footprint and minimising any negative impact on the environment. Upgrades to environmental protection facilities in the Group's manufacturing plants have improved the handling and treatment 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 are set out in the Group's ESG Report, which is uploaded onto the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's operations are mainly carried out in the PRC and Hong Kong, and the Company was incorporated in Bermuda and its shares listed on the Stock Exchange. During the Year, there has not been any cases of non-compliance with all the laws and regulations in the above-mentioned jurisdictions which have a significant impact on the operations of the Group.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 a matter of the utmost importance. 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 employees for their contribution to the growth and development of the Group. The Group has developed long-standing relationships with a number of suppliers and taken great care to ensure that they share the Group's commitment to quality and ethics. The Group also carefully selects its suppliers and requires them to satisfy certain assessment criteria including track records, experience, financial strength, reputation, ability to produce high-quality products and effectiveness of quality control. The Group is committed to offering a broad and diverse range of value-for-money, good-quality products to its customers. Management believes that the above objectives will help to enhance the value of the Company for its shareholders.

## PROSPECTS

Despite the prevailing challenges in the external environment, characterised by high interest rates and strained relations between the PRC and the United States of America, the Group adopts a cautiously optimistic view towards the prospective business growth. It firmly believes that its track record of successfully implementing business strategies, loyal client base, and the committed management team will unlock immense growth prospects in the long term. The Group's strategic priorities include strengthening its position in the engineering machinery, medical equipment, charging pile, and commercial appliance markets, while also venturing into new markets amidst the industrial digital era.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, excluding the assets classified as held for sale and its associated liabilities, the Group's current ratio was 1.6 (2023: 2.3). The gearing ratio, as a ratio of bank borrowings to net worth, was 1.3% (2023: 0.2%). As at 31 March 2024, the Group had total assets of approximately HK\$2,907 million, which were financed by liabilities of HK\$406 million and total equity of HK\$2,501 million. As at 31 March 2024, the Group's banking facilities amounted to approximately HK\$286 million (2023: HK\$161 million) of which approximately HK\$31.7 million (2023: HK\$4.3 million) were utilised mainly in the forms of letters of credit, short term loan and bills payable.

Certain subsidiaries of the Group have assets and liabilities in foreign currencies, which expose the Group to foreign currency risk. The management monitors the foreign exchange risk and has taken appropriate hedging measures against significant foreign currency exposures.

## 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 31 March 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 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 rewards 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 continuing operation and development of the Group.

## MAJOR CUSTOMERS AND SUPPLIERS

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

	2024	2023
Percentage of purchases from the Group's largest supplier	7	13
Percentage of purchases from the Group's five largest suppliers	26	32
Percentage of turnover to the Group's largest customer	4	5
Percentage of turnover to the Group's five largest customers	15	18

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

As at 31 March 2024, 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

The board of directors of the Company (the "**Board**") has resolved to recommend the payment of a final dividend of HK5.0 cents (2023: a final dividend of HK5.0 cents and a second special dividend of HK5.0 cents) per share for the year ended 31 March 2024 subject to the approval of the shareholders of the Company (the "**Shareholders**") at the forthcoming annual general meeting. The final dividend will be paid on or about Friday, 4 October 2024 to Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 27 August 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Friday, 16 August 2024 (the “**Annual General Meeting**”). For determining the entitlement to attendance and a vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 13 August 2024 to Friday, 16 August 2024, 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 12 August 2024. 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 Monday, 26 August 2024 to Tuesday, 27 August 2024, 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 Friday, 23 August 2024.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

As the Board is of the view that the current trading price of the shares of the Company does not reflect their intrinsic value, it intends to continue exercising its powers to buy back the shares (the “**Share Buy-back**”) in the open market under the general mandate (the “**Repurchase Mandate**”) to buy back shares granted by the Shareholders at the annual general meeting held on 21 September 2023 (the “**2023 AGM**”). According to the Repurchase Mandate, the Company is allowed to buy back a maximum of 96,011,400 shares, being 10% of the total number of issued shares as at the date of the 2023 AGM. The Board believes that the Share Buy-back and subsequent cancellation of the repurchased shares can increase the value of the shares and lead to an increase in the return to Shareholders. In addition, the Board believes that the Share Buy-back reflects the Company’s confidence in its long-term business prospect and is conducted in the interests of the Company and its shareholders as a whole.

The exercise of the Repurchase Mandate by the Company will be subject to market conditions and will be at the absolute discretion of the Board. Accordingly, there is no assurance of the timing, quantity or price of any Share Buy-back. In any event, as disclosed in the explanatory statement in respect of the Repurchase Mandate included in the Company’s circular dated 26 July 2023, the Board does not intend to exercise the Repurchase Mandate to the extent that would (i) have a material adverse impact on the working capital requirements or gearing ratio of the Company; or (ii) give rise to any obligation to make any mandatory offer under the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs; or (iii) result in the number of shares held by the public falling below the minimum percentage prescribed by the Rules Governing the Listing of Securities on the Stock Exchange.



# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

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 31 March 2024, the Company has applied the principles and complied with the requirements of the Corporate Governance Code (the “Code”) listed out in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (the “Model Code”)

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, the Board is not aware of any non-compliance with the required standard as set out in the Model Code throughout the year ended 31 March 2024.

## BOARD OF DIRECTORS

As at 31 March 2024, the Board comprises:

### Executive Directors

Mr. Fang Yan Tak, Douglas (*Chairman*)  
Mr. Li Kwok Wai, Frankie (*Chief Executive Officer*)  
Mr. Leung Tze Kuen

### Independent Non-executive Directors

Mr. Chu Chi Wai, Allan  
Mr. Lau Yuen Sun, Adrian  
Prof. Lau Kei May

In addition, Mr. Chen Shuang, JP served as a Non-executive Director until he retired on 21 September 2023.

## CORPORATE GOVERNANCE REPORT

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.

A board diversity policy has been formulated by the Board setting out the approach to maintaining a board with a diversity of directors. The Company recognises the benefits of diversity at the Board level as an essential element in supporting its sustainable development. All Board appointments will continue to be based on meritocracy with due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

In accordance with the requirements under the Code, the Company has set an initial target that the Board should not comprised members of single gender.

Regarding the current Board's composition, the Board comprises five male and one female Directors. The Directors believe that the composition of the Board reflects the necessary balance of skills and experience appropriate for the requirements of the business development of the Group and for effective leadership as all the Executive Directors possess extensive experience in business while the Independent Non-executive Directors possess professional knowledge and broad experience in finance, management and the displays industry. The Directors are of the opinion that the present structure of the Board can ensure the independence and objectivity of the Board and provide a system of checks and balances to safeguard the interests of the shareholders and the Company.

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.

Consideration was given to the independence of Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both of them have served on the Board for more than nine years. Both Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian do not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, nor do they have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company. Moreover, both of them have never engaged in any executive management of the Group. Taking into consideration the independent nature of their roles and duties in the past years, the Board considers both Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian to be independent under the Listing Rules despite their years of services with the Company.

The biographical details of the Directors are set out in page 3 of this Annual Report.

## CORPORATE GOVERNANCE REPORT

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

<b>Name of Directors</b>	<b>Number of Meetings Attended/ Entitled to Attend</b>
Mr. Fang Yan Tak, Douglas	8/8
Mr. Li Kwok Wai, Frankie	8/8
Mr. Leung Tze Kuen	8/8
Mr. Chen Shuang	0/4
Mr. Chu Chi Wai, Allan	8/8
Mr. Lau Yuen Sun, Adrian	8/8
Prof. Lau Kei May	7/8

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

The Company has in place effective mechanisms to ensure independent views and input are available to the Board. The Board conducted an annual review on such mechanisms during the year ended 31 March 2024 and is of the view that the mechanisms have been properly implemented and are effective. In particular, the Company plans regular Board and Board committees meeting schedules well in advance and provides remote facilities for attendance, so as to facilitate active attendance and participation in the meetings. Board members, especially Independent Non-executive Directors, are welcome and are encouraged to raise enquiries, suggestions and views during the meetings. The Board process as stated above, including agenda setting and provision of meeting information, facilitates effective and active participation by all Directors. The Board and each Director has unrestricted access to the advice and services of the Company Secretary and also has the liberty to seek independent professional advice to assist them in performing their duties to the Company at the Company's expense.

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, 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.

## CORPORATE GOVERNANCE REPORT

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. The Company has been provided by the Directors of their respective training records.

### **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 additional 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;



## CORPORATE GOVERNANCE REPORT

- 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 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**

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 B.2.2 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.

As a good corporate governance practice, Nomination Committee member is required to abstain from assessing his own independence (in case he is an Independent Non-executive Director) and re-appointment.

# CORPORATE GOVERNANCE REPORT

## 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 24 November 2011. The Committee comprises Mr. Li Kwok Wai, Frankie, Executive Director and Chief Executive Officer, and Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both Independent Non-executive Directors. Mr. Chu Chi Wai, Allan 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 31 March 2024. All the Nomination 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 Director Nomination Policy and Board Diversity Policy as and when necessary and monitor its implementation.

### Remuneration Committee

The Remuneration Committee was established on 27 May 2005. The Committee comprises Mr. Li Kwok Wai, Frankie, Executive Director and Chief Executive Officer, and Mr. Lau Yuen Sun, Adrian and Mr. Chu Chi Wai, Allan, both Independent Non-executive Directors. 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.

## CORPORATE GOVERNANCE REPORT

The Remuneration Committee shall meet at least twice a year. During the year, two meetings were held and the attendance of each Remuneration Committee member is set out as follows:

<b>Name of Directors</b>	<b>Number of Meetings Attended/ Entitled to Attend</b>
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.

Details of the annual remuneration of the members of the senior management by band for the year ended 31 March 2024 are as follows:

	<b>Number of employees</b>
Below HK\$1,000,000	17
HK\$1,000,000 to HK\$1,500,000	1
HK\$1,500,001 to HK\$2,000,000	1
<b>Total</b>	<b>19</b>

Details of the remuneration of each Director for the year ended 31 March 2024 are set out in note 12 to the financial statements.

# CORPORATE GOVERNANCE REPORT

## Audit Committee

The Audit Committee of the Company comprises Mr. Lau Yuen Sun, Adrian, Professor Lau Kei May and Mr. Chu Chi Wai, Allan, all being Independent Non-executive Directors. 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. During the year, two meetings were held and the attendance of each Audit Committee member is set out as follows:

<b>Name of Directors</b>	<b>Number of Meetings Attended/ Entitled to Attend</b>
Mr. Lau Yuen Sun, Adrian	2/2
Mr. Chu Chi Wai, Allan	2/2
Prof. Lau Kei May	2/2

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

- (i) reviewed the financial reports for the year ended 31 March 2023 and for the six months ended 30 September 2023;
- (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 31 March 2024.

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.

# CORPORATE GOVERNANCE REPORT

## 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:

<b>Services rendered</b>	<b>Fees paid and payable HK\$'000</b>
Audit services	3,135
Non audit services*	3,271
	<u>6,406</u>

\* Included HK\$2,500,000 for services provided in relation to a very substantial disposal of the Group, the details of which are set out in a circular to the Shareholders dated 28 March 2024.

## 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 their effectiveness 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.

During the year, the Company has appointed a firm of independent internal control consultants to conduct regular internal audits of the Group. 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 independent internal control consultants report their findings to the Audit Committee and the Board and make recommendations to optimize the risk management and internal control systems 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 analysing 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.



## CORPORATE GOVERNANCE REPORT

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. The Board has also reviewed the adequacy of resources, qualifications and experience of staff of the Group's accounting, internal audit and financial reporting functions, and their training programmes and budget during the year and considered that the Group had adequate staff resources with the competence, qualifications and experience necessary for the effective performance of its accounting, internal audit and financial reporting functions.

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 31 March 2024, 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 39 to 43 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.

# CORPORATE GOVERNANCE REPORT

## 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. Except for Mr. Chen Shuang, a then Non-executive Director, who was not able to the Company's 2023 annual general meeting due to other commitments, all the other Directors attended the Company's 2023 annual general meeting and were available to answer shareholders' questions.

At the Company's 2023 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](http://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](mailto:ir@yeebo.com.hk).

The Board has reviewed its prevailing shareholders' communication policy during the year and believes that, in light of the multiple channels of communication and engagement in place as stated above, the current shareholders' communication policy of the Company has been properly implemented during the year ended 31 March 2024.

# CORPORATE GOVERNANCE REPORT

## MEMORANDUM OF ASSOCIATION AND BYE-LAWS

Pursuant to the Consultation Conclusions on Listing Regime for Overseas Issuers published by the Stock Exchange in November 2021, the Stock Exchange has revised the core shareholder protection standards under Appendix A1 to the Listing Rules with effect from 1 January 2022. Accordingly, a special resolution for the purpose of amending the Company's bye-laws in order to (i) bring the bye-laws in line with the relevant requirements of the Listing Rules as well as the applicable laws of Bermuda; (ii) allow general meetings of the Company to be held in the form of a hybrid meeting or electronic meeting where shareholders may attend by electronic means in addition to a physical meeting where shareholders attend in person; (iii) provide flexibility to the Company in relation to the conduct of general meetings; and (iv) make other housekeeping and consequential amendments to the bye-laws, including making consequential amendments in connection with the above proposed amendments and for clarity and consistency with other provisions of the bye-laws where it is considered desirable and to better align the wording with those of the Listing Rules and the applicable laws of Bermuda was approved by the shareholders at the Company's annual general meeting held on 21 September 2023.

With effect from 11 June 2024, the Listing Rules have been amended to the effect that, among others, the requirements to cancel repurchased shares has been removed such that listed issuers may hold the repurchased shares in treasury subject to the laws of their places of incorporation and their constitutional documents, and a framework in the Listing Rules to govern the resale of treasury shares has been adopted. The existing memorandum (the "Existing Memorandum") and bye-laws of the Company currently do not authorise the Company to hold any share purchased or acquired by the Company as treasury shares. A special resolution is proposed at the forthcoming annual general meeting of the Company for the purpose of altering the Existing Memorandum to, inter alia, authorise the Company to, subject to and in accordance with the Bermuda Companies Act, the Listing Rules, and such other laws and regulations as may from time to time be applicable, hold any share purchased or acquired by the Company as treasury shares. The Directors consider that such amendments provide greater flexibility to the Company in repurchasing and reselling shares, thereby allowing the Company an additional channel to manage its capital structure. If the proposed resolution is approved and adopted, the Company may cancel shares repurchased or hold them as treasury shares, subject to market conditions and the Group's capital management needs at the relevant time of the repurchases.

The existing 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 31 March 2024, 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 31 March 2024.

### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 42 and 19, 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 31 March 2024 as well as outlook/prospects of the Group's business are provided in the sections "Chairman's Statement" on pages 7 to 8 and "Management Discussion and Analysis" on pages 9 to 15 of this Annual Report.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 44 to 45.

The Directors recommend the payment of a final dividend of HK5.0 cents per ordinary share to the shareholders on the register of members on Tuesday, 27 August 2024, amounting to approximately HK\$47,141,000, 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 Friday, 16 August 2024.

### PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK\$45,381,000. 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

Details of the movements in the share capital of the Company during the year ended 31 March 2024 are set out in note 32 to the consolidated financial statements.

## DIRECTORS' REPORT

### RESERVES

Details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity on pages 48 to 50.

The Company's reserve available for distribution to shareholders as at 31 March 2024 were as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contributed surplus	49,259	49,259
Retained profits	138,211	101,417
	<b>187,470</b>	150,676

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 at the date of this report were:

#### Executive directors:

Mr. Fang Yan Tak, Douglas  
Mr. Li Kwok Wai, Frankie  
Mr. Leung Tze Kuen

#### Independent non-executive directors:

Mr. Chu Chi Wai, Allan  
Mr. Lau Yuen Sun, Adrian  
Prof. Lau Kei May

In addition, Mr. Chen Shuang, JP served as a Non-executive Director until he retired on 21 September 2023.



## DIRECTORS' REPORT

In accordance with Clause 86 and 87 of the Company's bye-laws, Mr. Leung Tze Kuen and Prof. Lau Kei May will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election at such meeting.

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 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 6 of this Annual Report.

## INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 31 March 2024, 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:

### (A) Long position in the shares of the Company

	Number of shares and nature of interests		Percentage of Company's issued capital ( <i>Note(i)</i> )
	Personal interests	Total	
Mr. Li Kwok Wai, Frankie	108,504,000	108,504,000	11.35%
Mr. Leung Tze Kuen ( <i>Note (ii)</i> )	3,200,000	3,200,000	0.33%

## DIRECTORS' REPORT

### (B) Long position in the shares of associated corporations of the Company

#### (1) Antrix Investment Limited ("Antrix") (Note(iii))

	Number of shares and nature of interests			Percentage of
	Personal interests	Through controlled corporations	Total	issued capital of Antrix
Mr. Li Kwok Wai, Frankie	–	17,351,735	17,351,735	33.33%

#### (2) Fang Brothers Holdings Limited ("Fang Brothers") (Note(iv))

	Number of shares and nature of interests			Percentage of
	Personal interests	Spouse interests	Total	issued capital of Fang Brothers
Mr. Fang Yan Tak, Douglas	16,000,000	–	16,000,000	20.00%

*Notes:*

- (i) Based on the total number of issued shares of the Company as at 31 March 2024 of 956,174,000 (which included 10,554,000 repurchased by the Company but had not been cancelled as at 31 March 2024).
- (ii) The 3,200,000 shares included 90,000 shares granted under the share award scheme of the Company and vested on 3 April 2024.
- (iii) As at 31 March 2024, Antrix held 570,000,000 shares of the Company.
- (iv) As at 31 March 2024, Fang Brothers beneficially owned 66.67% of the issued share capital of Antrix.

Save as disclosed above, as at 31 March 2024, 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.

## DIRECTORS' REPORT

### 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 31 March 2024, 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 C1 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.

### RELATED PARTY TRANSACTIONS

Details of related party transactions undertaken in the normal course of business of the Group are set out in note 40 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 31 March 2024.

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2024, 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 (Note (i))
Antrix (Note (ii))	Directly beneficially owned	570,000,000	59.61%
Esca Investment Limited (Note (ii))	Indirectly beneficially owned	570,000,000	59.61%
Fang Brothers (Note (ii))	Indirectly beneficially owned	570,000,000	59.61%

#### Notes:

- (i) Based on the total number of issued shares of the Company as at 31 March 2024 of 956,174,000 (which included 10,554,000 repurchased by the Company but had not been cancelled as at 31 March 2024).
- (ii) As at 31 March 2024, Antrix was held as to 66.67% by Esca Investment Limited (a company wholly-owned by Fang Brothers in which none of its shareholders holds more than 20% of its issued capital). The shares held by Esca Investment Limited and Fang Brothers represent the same interest held by Antrix.

Save as disclosed above, as at 31 March 2024, 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.

## DIRECTORS' REPORT

### SHARE AWARD SCHEME

The purpose of the Scheme is to recognise and motivate the contribution of certain qualifying persons and to provide incentives and help the Company in retaining and recruiting qualifying persons 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 participants of the Scheme include any employee (whether full-time, part-time or on contractual basis) of any member of the Group (including without limitation any executive and non-executive director of any member of the Group) as well as any person who is engaged by any member of the Group in the position as a consultant or otherwise to provide service(s) to the Group;

The maximum number of Shares which may be granted under the Scheme is 101,115,517 Shares, representing 10% of the issued Shares as at 24 October 2012, the date of adoption of the Scheme;

The maximum entitlement of each participant under the Scheme is 10,111,551 Shares, representing 1% of the issued Shares as at the date of adoption of the Scheme;

Under the rules of the Scheme, the Shares granted to each participant will be vested in batches from the sixth to tenth year of the respective grant, provided that all the grant Shares shall be deemed to be vested on the date of the grantee attains the normal retirement age or the date of death of the grantee;

No purchase price is payable by the grantees for Shares awarded under the Scheme and the Shares to be granted are subject to acceptance by the grantees within a reasonable time as stipulated in the respective grant letter;

The Shares to be granted under the Scheme will be purchased by the trustee of the Scheme from the open market out of cash contributed by the Company;

The Scheme will expire on 23 October 2027 unless the Board determines to terminate the Scheme sooner by a 3 months' prior notice provided that the early termination shall not affect any subsisting rights of any participant of the Scheme.



## DIRECTORS' REPORT

Details of movements in the Scheme during the year ended 31 March 2024 are as follows:

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at 1 April 2023	Vesting Period	Awards Granted During the Year	Awards Vested During the Year	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During The Year)	Awards Cancelled During the Year	Awards Lapsed During the Year	Unvested Awards Outstanding as at 31 March 2024
Leung Tze Kuen (Executive Director)	27 Dec 2013	64,000	1 Apr 2019 to 31 Mar 2024	-	64,000	n/a	2.84	-	-	-
	25 Aug 2014	128,000	1 Apr 2020 to 31 Mar 2025	-	128,000	n/a	2.84	-	-	-
	25 Sep 2015	120,000	1 Apr 2021 to 31 Mar 2026	-	120,000	n/a	2.84	-	-	-
	27 Sep 2016	200,000	1 Apr 2022 to 31 Mar 2027	-	200,000	n/a	2.84	-	-	-
	29 Aug 2017	150,000	1 Apr 2023 to 31 Mar 2028	-	150,000	n/a	2.84	-	-	-
	10 Dec 2018	620,000	1 Apr 2024 to 31 Mar 2029	-	620,000	n/a	2.84	-	-	-
	03 Dec 2019	600,000	1 Apr 2025 to 31 Mar 2030	-	600,000	n/a	2.84	-	-	-
	18 Apr 2023	-	1 Apr 2026 to 31 Mar 2031	300,000	300,000	n/a	2.84	-	-	-
	18 Apr 2023	-	1 Apr 2027 to 31 Mar 2032	200,000	200,000	n/a	2.84	-	-	-
	18 Apr 2023	-	1 Apr 2028 to 31 Mar 2033	150,000	150,000	n/a	2.84	-	-	-
	31 Mar 2024	-	1 Apr 2029 to 31 Mar 2034	90,000	-	-	-	-	-	90,000
Sub-total		1,882,000		740,000	2,532,000			-	-	90,000
Five highest paid employees (Note)	16 Aug 2013	-	1 Apr 2019 to 31 Mar 2024	-	-	-	-	-	-	-
	25 Aug 2014	-	1 Apr 2020 to 31 Mar 2025	-	-	-	-	-	-	-
	25 Sep 2015	-	1 Apr 2021 to 31 Mar 2026	-	-	-	-	-	-	-
	27 Sep 2016	-	1 Apr 2022 to 31 Mar 2027	-	-	-	-	-	-	-
	29 Aug 2017	-	1 Apr 2023 to 31 Mar 2028	-	-	-	-	-	-	-
	29 Oct 2018	-	1 Apr 2024 to 31 Mar 2029	-	-	-	-	-	-	-
	03 Dec 2019	-	1 Apr 2025 to 31 Mar 2030	-	-	-	-	-	-	-
	18 Apr 2023	-	1 Apr 2026 to 31 Mar 2031	-	-	-	-	-	-	-
	18 Apr 2023	-	1 Apr 2027 to 31 Mar 2032	-	-	-	-	-	-	-
	18 Apr 2023	-	1 Apr 2028 to 31 Mar 2033	-	-	-	-	-	-	-
	31 Mar 2024	-	1 Apr 2029 to 31 Mar 2034	-	-	-	-	-	-	-
Sub-total		-		-	-			-	-	-
Other Employees	16 Aug 2013	208,000	1 Apr 2019 to 31 Mar 2024	-	208,000	n/a	2.84	-	-	-
	25 Aug 2014	429,600	1 Apr 2020 to 31 Mar 2025	-	250,800	n/a	2.84	-	-	178,800
	25 Sep 2015	462,000	1 Apr 2021 to 31 Mar 2026	-	194,000	n/a	2.84	-	-	268,000
	27 Sep 2016	728,000	1 Apr 2022 to 31 Mar 2027	-	230,000	n/a	2.84	-	-	498,000
	29 Aug 2017	920,000	1 Apr 2023 to 31 Mar 2028	-	232,000	n/a	2.84	-	-	688,000
	29 Oct 2018	1,240,000	1 Apr 2024 to 31 Mar 2029	-	60,000	n/a	2.84	-	-	1,180,000
	03 Dec 2019	1,960,000	1 Apr 2025 to 31 Mar 2030	-	80,000	n/a	2.84	-	-	1,880,000
	18 Apr 2023	-	1 Apr 2026 to 31 Mar 2031	240,000	30,000	n/a	2.84	-	-	210,000
	18 Apr 2023	-	1 Apr 2027 to 31 Mar 2032	250,000	30,000	n/a	2.84	-	-	220,000
	18 Apr 2023	-	1 Apr 2028 to 31 Mar 2033	1,340,000	210,000	n/a	2.84	-	-	1,130,000
	31 Mar 2024	-	1 Apr 2029 to 31 Mar 2034	1,270,000	-	-	-	-	-	1,270,000
Sub-total		5,947,600		3,100,000	1,524,800			-	-	7,522,800
Grand Total		7,829,600		3,840,000	4,056,800			-	-	7,612,800

*Note:* The five highest paid individuals included two executive Directors and three non-Director employees of the Group. The movements in this section only include the Shares granted to non-Director employees. Other than Mr. Leung Tze Kuen, no Shares have been granted to any other Directors under the Scheme.

## DIRECTORS' REPORT

Details of movements in the Scheme during the year ended 31 March 2023 are as follows:

Name or Category of Grantees	Date of Grant	Unvested Awards Outstanding as at 1 April 2022	Vesting Period	Awards Granted During the Year	Awards Vested During the Year	Purchase Price	Weighted Average Closing Price of the Shares Immediately before the Date of Vesting (For Awards Vested During The Year)	Awards Cancelled During the Year	Awards Lapsed During the Year	Unvested Awards Outstanding as at 31 March 2023
Leung Tze Kuen (Executive Director)	27 Dec 2013	128,000	1 Apr 2019 to 31 Mar 2024	-	64,000	n/a	3.23	-	-	64,000
	25 Aug 2014	192,000	1 Apr 2020 to 31 Mar 2025	-	64,000	n/a	3.23	-	-	128,000
	25 Sep 2015	160,000	1 Apr 2021 to 31 Mar 2026	-	40,000	n/a	3.23	-	-	120,000
	27 Sep 2016	250,000	1 Apr 2022 to 31 Mar 2027	-	50,000	n/a	3.23	-	-	200,000
	29 Aug 2017	150,000	1 Apr 2023 to 31 Mar 2028	-	-	-	-	-	-	150,000
	10 Dec 2018	620,000	1 Apr 2024 to 31 Mar 2029	-	-	-	-	-	-	620,000
	03 Dec 2019	600,000	1 Apr 2025 to 31 Mar 2030	-	-	-	-	-	-	600,000
	Sub-total		2,100,000		-	218,000			-	-
Five highest paid employees (Note)	16 Aug 2013	-	1 Apr 2019 to 31 Mar 2024	-	-	-	-	-	-	-
	25 Aug 2014	-	1 Apr 2020 to 31 Mar 2025	-	-	-	-	-	-	-
	25 Sep 2015	-	1 Apr 2021 to 31 Mar 2026	-	-	-	-	-	-	-
	27 Sep 2016	-	1 Apr 2022 to 31 Mar 2027	-	-	-	-	-	-	-
	29 Aug 2017	-	1 Apr 2023 to 31 Mar 2028	-	-	-	-	-	-	-
	29 Oct 2018	-	1 Apr 2024 to 31 Mar 2029	-	-	-	-	-	-	-
	03 Dec 2019	-	1 Apr 2025 to 31 Mar 2030	-	-	-	-	-	-	-
	Sub-total		-		-	-			-	-
Other Employees	16 Aug 2013	456,000	1 Apr 2019 to 31 Mar 2024	-	228,000	n/a	3.23	20,000	-	208,000
	25 Aug 2014	740,400	1 Apr 2020 to 31 Mar 2025	-	246,800	n/a	3.23	64,000	-	429,600
	25 Sep 2015	686,400	1 Apr 2021 to 31 Mar 2026	-	171,600	n/a	3.23	52,800	-	462,000
	27 Sep 2016	970,000	1 Apr 2022 to 31 Mar 2027	-	194,000	n/a	3.23	48,000	-	728,000
	29 Aug 2017	980,000	1 Apr 2023 to 31 Mar 2028	-	-	-	-	60,000	-	920,000
	29 Oct 2018	1,300,000	1 Apr 2024 to 31 Mar 2029	-	-	-	-	60,000	-	1,240,000
	03 Dec 2019	2,060,000	1 Apr 2025 to 31 Mar 2030	-	-	-	-	100,000	-	1,960,000
	Sub-total		7,192,800		-	840,400			404,800	-
Grand Total		9,292,800		-	1,058,400			404,800	-	7,829,600

*Note:* The five highest paid individuals included two executive Directors and three non-Director employees of the Group. The movements in this section only include the Shares granted to non-Director employees. Other than Mr. Leung Tze Kuen, no Shares have been granted to any other Directors under the Scheme.

## DIRECTORS' REPORT

### 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

The Company repurchased 28,306,000 shares on the Stock Exchange during the year ended 31 March 2024. Details of which are follows:

Month of repurchase	Number of shares repurchased	Highest price paid (HK\$)	Lowest price paid (HK\$)	Total amount paid (HK\$)
April 2023	2,174,000	2.92	2.82	6,256,880
June 2023	1,830,000	2.89	2.84	5,259,980
July 2023	4,454,000	2.97	2.82	12,915,800
August 2023	5,108,000	3.00	2.89	15,084,480
September 2023	1,546,000	2.94	2.80	4,444,760
October 2023	2,640,000	2.88	2.80	7,551,980
November 2023	300,000	2.84	2.79	848,200
December 2023	3,638,000	2.81	2.75	10,117,800
January 2024	2,496,000	2.97	2.75	7,136,840
March 2024	4,120,000	3.50	3.34	14,195,860
Total	28,306,000			83,812,580

The Board is of the view that the trading price of the shares of the Company did not reflect their intrinsic value, and the above repurchase and subsequent cancellation of Company's shares could increase the value of the Company's shares and lead to an increase in the return to Shareholders. In addition, the Board believes that the repurchases reflected the Company's confidence in its long-term business prospect and were conducted in the interests of the Company and its shareholders as a whole.

Save as disclosed above, no repurchase has been made by the Company or any of its subsidiaries on the Stock Exchange of any listed securities of the Company during the year.

## DIRECTORS' REPORT

### CORPORATE GOVERNANCE

Details of the Group's corporate governance practices are set out in the Corporate Governance Report on pages 16 to 27 of this Annual Report.

The Company had adopted the Model Code as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of the directors, the Board is not aware of any non-compliance 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 31 March 2024.

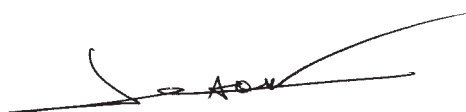
### AUDIT COMMITTEE

The Audit Committee comprises Mr. Lau Yuen Sun, Adrian, Mr. Chu Chi Wai, Allan, and Prof. Lau Kei May, all being Independent Non-executive Directors. 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 31 March 2024.

### 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  
28 June 2024

## INDEPENDENT AUDITOR'S REPORT

**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 44 to 137, which comprise the consolidated statement of financial position as at 31 March 2024, 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 material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, 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 the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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.



# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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

#### *Valuation of trade receivables*

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We identified valuation of trade receivables as a key audit matter due to the involvement of management's estimates in evaluating the allowance of credit losses of the Group's trade receivables at the end of the reporting period.

As at 31 March 2024, the Group's carrying amount of trade receivables is HK\$162,648,000 (net of allowance for credit losses of HK\$7,473,000) and out of these trade receivables of HK\$48,218,000 were past due.

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 individual assessment for those debtors with significant balances and credit-impaired and/or collective assessment through grouping of various debtors that have similar loss patterns, after considering ageing, repayment history and/or past due status of the respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and forward-looking information.

As disclosed in note 34 to the consolidated financial statements, the Group reversed of net allowance of credit losses on trade receivables of HK\$6,127,000 for the year ended 31 March 2024.

Our procedures in relation to valuation of trade receivables included:

- Understanding the key process on how the management of the Group estimates the allowance of credit losses of trade receivables;
- Evaluating management's basis in determining credit loss allowance on trade receivables as at 31 March 2024, including their basis of identification of credit-impaired trade receivables, the reasonableness of management's grouping of the trade debtors into different credit risk categories in the collective assessment basis, and the basis of estimated loss rates applied in each category in the collective assessment basis (with reference to historical default rates and forward-looking information);
- Testing the accuracy of ageing category of trade receivables ageing analysis as at 31 March 2024 to develop the collective assessment basis, on a sample basis, by comparing individual items in the ageing analysis with the relevant supporting documents including sales invoices and delivery documents; and
- Recalculating the expected credit loss allowance recognised by the management at 31 March 2024 and comparing with the recorded balance.

## INDEPENDENT AUDITOR'S REPORT

### 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.

## INDEPENDENT AUDITOR'S REPORT

### 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 HKSA's 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 HKSA's, we exercise professional judgement 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.

## INDEPENDENT AUDITOR'S REPORT

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

- 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.
- 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, actions taken to eliminate threats or safeguards applied.

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 Wan Wai Nga.



**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong

28 June 2024

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
Revenue	5 & 6	936,607	1,325,806
Cost of sales		(792,696)	(1,102,514)
Gross profit		143,911	223,292
Other income	7	23,690	31,851
Other gains and losses	8	9,194	(13,328)
(Loss) gain on derecognition of debt investments at amortised cost	20	(3,407)	8,720
Reversal of (allowances on) credit losses, net			
– trade receivables		6,127	1,735
– debt investments at amortised cost		(14,333)	(56,584)
Selling and distribution expenses		(78,206)	(98,019)
Administrative expenses		(36,182)	(39,355)
Finance costs	9	(1,152)	(943)
Gain on disposal of equity interests of an associate	19	–	241,503
(Loss) gain on deemed disposal of associates	19	(2,055)	195,586
Share of results of associates	19	151,886	242,572
Profit before income tax		199,473	737,030
Income tax expense	10	(12,696)	(75,786)
Profit for the year	11	186,777	661,244
<b>Other comprehensive (expense) income</b>			
<b>Item that will not be reclassified to profit or loss:</b>			
Share of other comprehensive expense of associates, net of related income tax	19	(7,578)	(4,272)
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising on the translation of foreign operations:			
Subsidiaries		(30,256)	(42,132)
Associates		(109,382)	(137,307)
Reclassification of cumulative translation reserve upon disposal of equity interests of an associate		–	1,424
Total comprehensive income for the year		39,561	478,957



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>NOTE</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<hr/>			
Profit for the year attributable to:			
Owners of the Company		<b>176,764</b>	615,109
Non-controlling interests		<b>10,013</b>	46,135
		<hr/> <b>186,777</b>	<hr/> 661,244
Total comprehensive income attributable to:			
Owners of the Company		<b>32,901</b>	433,919
Non-controlling interests		<b>6,660</b>	45,038
		<hr/> <b>39,561</b>	<hr/> 478,957
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share			
– basic	<i>15</i>	<hr/> <b>18.7</b>	<hr/> 63.6
– diluted	<i>15</i>	<hr/> <b>18.6</b>	<hr/> 63.2

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	16	208,990	215,851
Right-of-use assets	17	3,819	16,430
Investment properties	18	573	774
Interests in associates	19	335,770	2,061,371
Debt investments at amortised cost	20	17,608	32,878
Intangible assets	21	1,459	1,459
Other receivables and prepayments	23	3,711	4,892
Financial assets at fair value through profit or loss ("FVTPL")	25	136,632	–
		<b>708,562</b>	<b>2,333,655</b>
<b>Current assets</b>			
Inventories	22	137,600	184,683
Trade and other receivables	23	199,546	295,419
Cash and cash equivalents	24	152,867	300,313
		<b>490,013</b>	<b>780,415</b>
Assets classified as held for sale	26	1,708,365	–
		<b>2,198,378</b>	<b>780,415</b>
<b>Current liabilities</b>			
Trade and other payables	27	226,130	271,437
Contract liabilities	28	26,633	39,303
Derivative financial instruments		–	3,262
Tax payable		13,214	13,903
Bank borrowings	29	31,735	4,284
Lease liabilities	30	2,562	4,750
		<b>300,274</b>	<b>336,939</b>
Liabilities associated with assets classified as held for sale	26	82,710	–
		<b>382,984</b>	<b>336,939</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

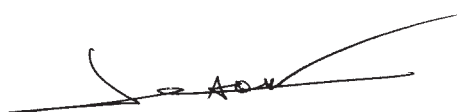
As at 31 March 2024

	NOTES	2024 HK\$'000	2023 HK\$'000
<b>Net current assets</b>		<b>1,815,394</b>	443,476
<b>Total assets less current liabilities</b>		<b>2,523,956</b>	2,777,131
<b>Non-current liabilities</b>			
Deferred tax liabilities	31	21,301	106,327
Lease liabilities	30	1,361	11,947
		<b>22,662</b>	118,274
		<b>2,501,294</b>	2,658,857
<b>Capital and reserves</b>			
Share capital	32	191,235	195,236
Reserves		<b>2,213,562</b>	2,356,549
Equity attributable to owners of the Company		<b>2,404,797</b>	2,551,785
Non-controlling interests		<b>96,497</b>	107,072
Total equity		<b>2,501,294</b>	2,658,857

The consolidated financial statements on pages 44 to 137 were approved and authorised for issue by the Board of Directors on 28 June 2024 and are signed on its behalf by:



**Fang Yan Tak, Douglas**  
DIRECTOR



**Li Kwok Wai, Frankie**  
DIRECTOR

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	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 award scheme HK\$'000	PRC statutory reserve (note ii) HK\$'000	Other reserve (note iii) HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total HK\$'000
At 1 April 2022	198,616	110,750	2,125	11,444	192,898	11,682	(27,712)	17,923	(4,404)	1,910,935	2,424,257	67,707	2,491,964
Profit for the year	-	-	-	-	-	-	-	-	-	615,109	615,109	46,135	661,244
Other comprehensive (expense) income for the year													
Share of other comprehensive (expense) income of associates, net of related income tax	-	-	-	-	-	-	-	-	(4,404)	-	(4,404)	132	(4,272)
Exchange differences arising on the translation of foreign operations	-	-	-	-	(178,210)	-	-	-	-	-	(178,210)	(1,229)	(179,439)
Reclassification of cumulative translation reserve upon disposal of equity interest of an associate	-	-	-	-	1,424	-	-	-	-	-	1,424	-	1,424
Total comprehensive (expense) income for the year	-	-	-	-	(176,786)	-	-	-	(4,404)	615,109	433,919	45,038	478,957
Repurchase and cancellation of ordinary shares (note 32)	(3,380)	-	-	3,831	-	-	-	-	(451)	(57,745)	(57,745)	-	(57,745)
Shares purchased for share award scheme	-	-	-	-	-	-	(9,170)	-	-	-	(9,170)	-	(9,170)
Recognition of equity-settled share-based payment expenses under share award scheme (note 37)	-	-	-	-	-	1,538	-	-	-	-	1,538	-	1,538
Shares vested under share award scheme (note 37)	-	-	-	-	-	(1,776)	3,408	-	-	(1,632)	-	-	-
Transfer of reserves	-	-	-	-	-	-	-	5,083	-	(5,083)	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(5,673)	(5,673)
Dividends recognised as a distribution (note 14)	-	-	-	-	-	-	-	-	-	(241,014)	(241,014)	-	(241,014)
At 31 March 2023	195,236	110,750	2,125	15,275	16,112	11,444	(33,474)	23,006	(9,259)	2,220,570	2,551,785	107,072	2,658,857

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

	Attributable to owners of the Company												
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Translation reserve	Share award reserve	Shares held for share award scheme	PRC statutory reserve	Other reserve	Retained profits	Total	Non-controlling interests	Total
			(note i)	reserve	reserve	reserve	reserve	(note ii)	(note iii)	profits	HK\$'000	HK\$'000	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	-	-	-	-	-	-	-	-	-	176,764	176,764	10,013	186,777
Other comprehensive (expense) income for the year													
Share of other comprehensive (expense) income of associates, net of related income tax	-	-	-	-	-	-	-	-	(7,578)	-	(7,578)	-	(7,578)
Exchange differences arising on the translation of foreign operations	-	-	-	-	(136,285)	-	-	-	-	-	(136,285)	(3,353)	(139,638)
Reclassification of cumulative translation reserve upon disposal of equity interest of an associate	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive (expense) income for the year	-	-	-	-	(136,285)	-	-	-	(7,578)	176,764	32,901	6,660	39,561
Repurchase and cancellation of ordinary shares (note 32)	(4,001)	-	-	5,661	-	-	-	-	(1,660)	(83,813)	(83,813)	-	(83,813)
Shares purchased for share award scheme	-	-	-	-	-	-	(6,381)	-	-	-	(6,381)	-	(6,381)
Recognition of equity-settled share-based payment expenses under share award scheme (note 37)	-	-	-	-	-	4,562	-	-	-	-	4,562	-	4,562
Shares vested under share award scheme (note 37)	-	-	-	-	-	(8,459)	11,740	-	-	(3,281)	-	-	-
Transfer of reserves	-	-	-	-	-	-	-	2,851	-	(2,851)	-	-	-
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(17,235)	(17,235)
Dividends recognised as a distribution (note 14)	-	-	-	-	-	-	-	-	-	(94,257)	(94,257)	-	(94,257)
At 31 March 2024	191,235	110,750	2,125	20,936	(120,173)	7,547	(28,115)	25,857	(18,497)	2,213,132	2,404,797	96,497	2,501,294



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2024

*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) In accordance with the Company Law of the People's Republic of China ("PRC"), domestic enterprises in the PRC are required to transfer 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC ("PRC GAAP"), to the statutory surplus reserve until such reserve balance reaches 50% of the registered capital of the respective PRC subsidiaries.
- (iii) The other reserve of the Group mainly represents: (a) the share of other comprehensive income from the interests in associates and (b) the difference between the amount by which the non-controlling interests are adjusted and the consideration paid arising from the acquisition of additional interests in subsidiaries in previous years.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Operating activities</b>		
Profit before income tax	199,473	737,030
Adjustments for:		
Gain on disposal of equity interest of an associate	–	(241,503)
Loss (gain) on deemed disposal of associates	2,055	(195,586)
Share of results of associates	(151,886)	(242,572)
Finance costs	1,152	943
Interest income	(14,340)	(22,213)
Impairment loss recognised on property, plant and equipment	–	16,279
Depreciation of property, plant and equipment	41,540	48,813
Depreciation of right-of-use assets	4,823	5,056
Depreciation of investment properties	201	201
Recognition of equity-settled share-based payment expenses under share award scheme	4,562	1,538
Net (gain) loss on disposal and written off of property, plant and equipment	(324)	341
(Reversal of) allowance on credit losses, net of reversal		
– trade receivables	(6,127)	(1,735)
– debt investments at amortised cost	14,333	56,584
Loss (gain) on derecognition on debt investments at amortised cost	3,407	(8,720)
Gain on fair value changes of financial assets at FVTPL	(174)	–
(Gain) loss on fair value changes of derivative financial instruments	(3,127)	3,189
Reversal of allowance for inventories, net	(17,626)	(4,567)
Unrealised exchange gain	(8,923)	(6,308)
Operating cash flows before movements in working capital	69,019	146,770
Decrease in inventories	58,177	82,197
Decrease in trade and other receivables	76,688	66,069
Decrease in trade and other payables	(41,818)	(33,812)
Decrease in contract liabilities	(13,117)	(9,392)
Cash generated from operations	148,949	251,832
Income tax paid	(6,776)	(12,252)
<b>Net cash from operating activities</b>	<b>142,173</b>	<b>239,580</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(56,244)	(25,351)
Prepayment for acquisition of plant and equipment	(3,981)	(8,455)
Purchase of debt investments at amortised cost	–	(39,320)
Repayment of debt investments at amortised cost	3,707	9,084
Proceeds on disposal of equity interests of an associate, net of tax	–	300,312
Dividend received from associates, net of withholding tax	46,766	34,511
Purchases of financial assets at FVTPL	(136,458)	–
Interest income received	9,398	10,934
Proceeds from disposals of property, plant and equipment	442	324
Repayment of loan receivables	42,146	1,764
Advance of loan receivables	(10,958)	–
<b>Net cash (used in) from investing activities</b>	<b>(105,182)</b>	<b>283,803</b>
<b>Financing activities</b>		
Dividends paid	(94,257)	(241,014)
Dividend paid to non-controlling interests	(17,235)	(5,673)
Payment for repurchase of ordinary shares	(83,813)	(57,745)
Payment for purchase of shares for share award scheme	(6,381)	(9,170)
Repayment of lease liabilities	(4,694)	(5,084)
Interest paid	(1,152)	(943)
Repayment of bank borrowings	(40,085)	(98,237)
New bank borrowings raised	67,408	90,646
<b>Net cash used in financing activities</b>	<b>(180,209)</b>	<b>(327,220)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(143,218)</b>	<b>196,163</b>
<b>Effect of changes in foreign exchange rates</b>	<b>(4,228)</b>	<b>(184)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>300,313</b>	<b>104,334</b>
<b>Cash and cash equivalents at end of the year, represented by bank balances and cash</b>	<b>152,867</b>	<b>300,313</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 1. GENERAL INFORMATION

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 “SEHK”). 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 “Corporate Information” section 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”), liquid crystal displays modules (“LCMs”), thin film transistor modules (“TFTs”) and capacitive touch panel modules (“CTPs”) (collectively “Displays”) 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**

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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 positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

**New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)**

### 2.1 *Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and related amendments to Hong Kong Interpretation 5 (2020) (the “2020 Amendments”) and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (the “2022 Amendments”)*

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.
- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

The management considered that the application of the 2020 and 2022 Amendments will not affect the classification of the Group’s other liabilities as at 31 March 2024.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

**New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)**

### **2.2 *Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies***

The Group has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in Note 3 to the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

**New and amendments to HKFRSs that are mandatorily effective for the current year (Continued)**

### 2.2 *Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies (Continued)*

#### 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:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2024.

3 Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

### 3.1 **Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the SEHK (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The directors of the Company have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information

#### *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.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Basis of consolidation (Continued)*

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.

#### *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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Interests in associates (Continued)*

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 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 is not allocated to any asset, including goodwill, that 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.

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, 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 of 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 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Interests in associates (Continued)*

##### *Changes in the Group's interests in 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.

#### *Non-current assets held for sale*

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for financial assets within the scope of HKFRS 9, investment properties, others (please specify) which continue to be measured in accordance with the accounting policies as set out in respective sections.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Revenue from contracts with customers*

Revenue from contracts with customers Information about the Group's accounting policies relating to contracts with customers is provided in note 5.

#### *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).

#### *Employee benefits*

##### *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.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Share based payments*

##### *Equity-settled share-based payment transactions*

Shares granted to employees

Equity-settled share-based payments to employees and others 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). 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.

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.

When the granted shares are forfeited before the vesting date, the amount previously recognised in share award reserve will be reversed through profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *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 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.

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.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Property, plant and equipment*

Property, plant and equipment are tangible assets that are 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.

Property, plant and equipment in the course of construction for production, supply or administrative purpose are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets, 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.

#### *Cash and cash equivalents*

Cash and cash equivalents presented on the consolidated statement of financial position include cash, which comprises of cash on hand and demand deposits.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (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. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

#### *Financial instruments*

Financial assets and financial liabilities are recognised 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. 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 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 FVTPL 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments (Continued)*

##### *Financial assets*

Classification and subsequent measurement of financial assets

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.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- 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 as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

For financing assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), 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.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, loan receivables, other receivables, debt investments at amortised cost and cash and cash equivalents) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables without significant financing component.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

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

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

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

The Group 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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(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 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;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (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 and 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. Trade receivable with credit-impaired are assessed for ECL individually.

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.

Lifetime ECL for non-credit impaired trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments (Continued)*

##### *Financial assets (Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

##### (v) Measurement and recognition of ECL (Continued)

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

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.

##### Derecognition/modification of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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.

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset.

When the contractual terms of a finance asset are modified and result in a substantial modification, such modification is accounted for as a derecognition of the original financial asset and the recognition of new financial asset. The difference between the carrying amount of financial asset derecognised and the fair value of consideration receive or receivable is recognised in profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 3.2 Material accounting policy information (Continued)

#### *Financial instruments (Continued)*

##### *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

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

##### *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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 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 judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 interests in associates***

For the purposes of measuring deferred tax liabilities on interests 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 interests 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 HK\$103,816,000 (2023: HK\$106,451,000) was recognised by applying different tax rates in accordance with the expected manner of recovery.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 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.

### ***Fair value measurement of financial instruments***

As at 31 March 2024, certain of the Group's financial assets, unlisted equity investment amounting to HK\$108,474,000 are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See notes 25 and 34 for further disclosures.

### ***Allowance for credit losses for debt investments at amortised cost***

Debt investments at amortised cost are assessed for ECL individually. The directors of the Company assessed the ECL of the debt investments taking into consideration the current observable information of the issuer of the debt investments and forward-looking information of the debt investments that are reasonable and supportable available without undue costs or effort. At every reporting date, the default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. Due to greater financial uncertainty triggered by the announcement of extension of debt investments, the Group has increased the expected loss rates in the current year. The information about the ECL and the Group's debt investments at amortised cost are disclosed in notes 20 and 34.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

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

### Key sources of estimation uncertainty (Continued)

#### *Allowance for credit losses of trade receivables*

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, for trade receivables which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping of debtors that have similar loss patterns based on the ageing, repayment history and/or past due status of the respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and forward-looking information.

As at 31 March 2024, the Group's carrying amount of trade receivables is HK\$162,648,000 (net of allowance for credit losses of HK\$7,473,000) (2023: HK\$218,016,000 (net of allowance for credit losses of HK\$13,842,000)) and out of these trade receivables of HK\$48,218,000 (2023: HK\$77,158,000) were past due.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables is disclosed in notes 23 and 34.

#### *Allowance for inventories*

The Group manufactures and sells Displays products and the valuation of the inventories is subject to technical obsolescence. When there is a downward trend in the market, the selling price of the 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 of the Group 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 of the Group determines the allowance for inventories primarily based on latest selling prices in recent sale or the market prices and the necessary costs to make the sales. Where the actual net realisable values of the inventories are less than expected, further allowance for inventories may arise. During the year, the Group reversed allowance for inventories amounting to HK\$17,626,000 (2023: HK\$4,567,000). As at 31 March 2024, the carrying amount of inventories is HK\$137,600,000 (net of allowance for inventories of HK\$43,859,000) (2023: HK\$184,683,000 (net of allowance for inventories of HK\$55,241,000)).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 5. REVENUE

### (i) Disaggregation of revenue from contracts with customers

The Group's revenue represents income from manufacture and sales of LCDs, LCMs, TFTs and CTPs ("Displays") 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 at a point in time when control of the goods has transferred, being when the goods have been delivered and titles are passed to customers 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 150 days upon delivery.

The Group normally receives 30% to 100% of the contract value as deposits from certain new customers when the sale order is issued. When the Group receives advance payment from customer, this will give rise to contract liabilities at the start of a contract, until the revenue recognised upon the satisfaction of the performance obligation.

As sales return is rare and not significant to the Group, the Group reverses 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 6. SEGMENT INFORMATION

Information reported to the executive directors of the Group, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The Group has only one reportable and operating segment as Displays.

The management of the Group assesses the performance of the reportable segment based on the revenue and segment profit. The accounting policies of the reportable segment are the same as the Group’s accounting policies.

The following is an analysis of Group’s revenue and results by reportable and operating segment:

	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Revenue – Displays	<b>936,607</b>	1,325,806
Segment profit – Displays	<b>54,956</b>	88,079
Interest income	<b>14,340</b>	22,213
Rental income from investment properties	<b>1,181</b>	1,147
Net exchange gain	<b>5,569</b>	6,481
Gain on fair value changes of financial assets at FVTPL	<b>174</b>	–
Gain (loss) on fair value changes of derivative financial instruments	<b>3,127</b>	(3,189)
(Loss) gain on derecognition of debt investments at amortised cost	<b>(3,407)</b>	8,720
Allowance on credit losses on debt investments at amortised cost	<b>(14,333)</b>	(56,584)
Unallocated administrative expenses	<b>(10,813)</b>	(8,555)
Finance costs	<b>(1,152)</b>	(943)
Gain on disposal of equity interests of an associate	–	241,503
(Loss) gain on deemed disposal of associates	<b>(2,055)</b>	195,586
Share of results of associates	<b>151,886</b>	242,572
Profit before income tax	<b>199,473</b>	737,030

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 6. SEGMENT INFORMATION (CONTINUED)

Segment profit represents the gross profit generated in operating segment and certain items of other income, other gains and losses, net of selling and distribution expenses and administrative expenses directly attributable to the segment without allocation of interest income, rental income from investment properties, net exchange differences, fair value changes of financial assets at FVTPL and derivative financial instruments, (loss) gain on derecognition of debt investments at amortised cost, allowances on credit losses on debt investments at amortised cost, unallocated administrative expenses, finance costs, gain on disposal of equity interests of an associate, (loss) gain on deemed disposal of associates, and share of results of associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue by type of products:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
LCDs	<b>138,339</b>	180,739
LCMs	<b>367,961</b>	545,624
TFTs	<b>167,297</b>	278,871
CTPs	<b>263,010</b>	320,572
	<b>936,607</b>	1,325,806

### 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 6. SEGMENT INFORMATION (CONTINUED)

#### Other segment information

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

#### For the year ended 31 March 2024

	Displays <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	41,540	–	41,540
Depreciation of right-of-use assets	4,823	–	4,823
Depreciation of investment properties	–	201	201
Net gain on disposal and written off of property, plant and equipment	(324)	–	(324)
Reversal of credit losses on trade receivables, net	(6,127)	–	(6,127)
Allowance on credit losses on debt investments at amortised cost	–	14,333	14,333
Loss on derecognition on debt investments at amortised cost	–	3,407	3,407
Reversal of allowance for inventories, net	(17,626)	–	(17,626)

#### For the year ended 31 March 2023

	Displays <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	48,612	201	48,813
Depreciation of right-of-use assets	5,056	–	5,056
Depreciation of investment properties	–	201	201
Impairment loss recognised on property, plant and equipment	16,279	–	16,279
Net loss on disposal and written off of property, plant and equipment	341	–	341
Reversal of credit losses on trade receivables, net	(1,735)	–	(1,735)
Allowance on credit losses on debt investments at amortised cost	–	56,584	56,584
Gain on derecognition on debt investments at amortised cost	–	(8,720)	(8,720)
Reversal of allowance for inventories, net	(4,567)	–	(4,567)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 6. SEGMENT INFORMATION (CONTINUED)

### Geographical information

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

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	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
The PRC	<b>173,244</b>	236,235	<b>680,119</b>	2,288,875
Germany	<b>157,248</b>	196,806	–	–
United States	<b>95,819</b>	145,659	–	–
Japan	<b>64,254</b>	111,613	–	–
Switzerland	<b>63,697</b>	107,844	–	–
Taiwan	<b>40,788</b>	100,301	–	–
Hong Kong	<b>72,969</b>	99,106	<b>7,019</b>	6,793
Spain	<b>37,192</b>	56,090	–	–
Other European countries	<b>158,330</b>	170,042	<b>3,816</b>	5,109
Other Asian countries	<b>66,403</b>	80,916	–	–
Other countries	<b>6,663</b>	21,194	–	–
	<b>936,607</b>	1,325,806	<b>690,954</b>	2,300,777

*Note:* Non-current assets exclude debt investments at amortised cost.

### Information about major customers

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 7. OTHER INCOME

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Government grants	1,134	2,346
Tooling income	1,940	1,867
Scrap sales	740	782
Rental income from investment properties	1,181	1,147
Interest income		
– debt investments at amortised cost	7,842	16,733
– bank and others	6,498	5,480
Compensation income	1,041	538
Others	3,314	2,958
	<b>23,690</b>	<b>31,851</b>

### 8. OTHER GAINS AND LOSSES

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gain on fair value changes of financial assets at FVTPL	174	–
Gain (loss) on fair value changes of derivative financial instruments	3,127	(3,189)
Impairment losses recognised on property, plant and equipment	–	(16,279)
Net gain (loss) on disposal and written off of property, plant and equipment	324	(341)
Net exchange gain	5,569	6,481
	<b>9,194</b>	<b>(13,328)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 9. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank borrowings	662	605
Interest on lease liabilities	490	338
	<b>1,152</b>	943

## 10. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The income tax expense comprises:		
Current tax:		
Hong Kong Profits Tax	994	5,610
PRC Enterprise Income Tax ("EIT")	490	3,478
Withholding tax for gain on disposal of equity interests	–	34,728
Withholding tax for distributed profits	2,943	1,816
Other jurisdictions	4,660	3,926
	<b>9,087</b>	49,558
Deferred taxation ( <i>note 31</i> )		
Charge for the year	3,609	26,228
	<b>12,696</b>	75,786

Under the two-tiered profits tax rates regime, the first HK\$2,000,000 of profits of the qualifying companies will be taxed at 8.25%, and profits above HK\$2,000,000 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 10. INCOME TAX EXPENSE (CONTINUED)

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% for both years. 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 rate. Accordingly, the PRC Enterprise Income Tax of that PRC subsidiary was provided at 15% (2023: 15%) for the year ended 31 March 2024. The qualification as a Hi-Tech Enterprise will be subject to review by the relevant tax authorities in the PRC for every three years.

Under EIT Law, distributable profits earned by foreign investment enterprises since 1 January 2008 are subject to withholding tax of 10% of profit distributed to non-resident investors. However, pursuant to the Arrangement between the PRC 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%.

Taxation arising in other jurisdictions is calculated at the rate prevailing in the relevant jurisdictions.

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before income tax	<b>199,473</b>	737,030
Tax at Hong Kong Profits Tax rate of 16.5%	<b>32,913</b>	121,610
Tax effect of share of results of associates	<b>(25,061)</b>	(40,024)
Tax effect of expenses that are not deductible for tax purposes	<b>5,292</b>	11,184
Tax effect of income not taxable for tax purposes	<b>(3,078)</b>	(74,191)
Tax effect of research and development expenses that are additionally deducted ( <i>Note</i> )	<b>(2,892)</b>	(4,859)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>2,197</b>	155
Utilisation of tax losses previously not recognised	<b>(24)</b>	(208)
Tax effect of tax losses and other deductible temporary difference not recognised	<b>855</b>	454
Withholding tax in the PRC	<b>3,609</b>	62,772
Income tax at concessionary rate	<b>(1,665)</b>	(2,197)
Others	<b>550</b>	1,090
Income tax expense for the year	<b>12,696</b>	75,786

*Note:* Pursuant to Caishui [2018] circular No. 99, Jiangmen Yeebo Semiconductor Co., Limited, one of the subsidiaries of the Group, enjoys super deduction of 200% (2023: 200%) on qualifying research and development expenditures for the year ended 31 March 2024.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 11. PROFIT FOR THE YEAR

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Staff costs, including directors' emoluments	<b>186,415</b>	231,065
Retirement benefit scheme contributions, including directors	<b>19,360</b>	19,661
Share-based payment expenses	<b>4,562</b>	1,538
Total staff costs	<b>210,337</b>	252,264
Auditor's remuneration	<b>3,135</b>	3,255
Cost of inventories recognised as expenses	<b>792,696</b>	1,102,514
Reversal of allowance for inventories, net	<b>(17,626)</b>	(4,567)
Depreciation of property, plant and equipment	<b>41,540</b>	48,813
Depreciation of right-of-use assets	<b>4,823</b>	5,056
Depreciation of investment properties	<b>201</b>	201
Total depreciation	<b>46,564</b>	54,070
Share of tax of associates (included in share of results of associates)	<b>28,413</b>	38,104

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the seven (2023: eight) directors and the chief executive were as follows:

#### Year ended 31 March 2024

	Fees <i>HK\$'000</i>	Salaries and other benefits <i>HK\$'000</i>	Share-based payment expenses (note iv) <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Executive Directors (note i):</b>					
Fang Yan Tak, Douglas (note ii)	–	1,320	–	66	1,386
Li Kwok Wai, Frankie (note iii)	–	5,079	–	254	5,333
Leung Tze Kuen	–	2,820	1,885	141	4,846
<b>Non-executive Directors (note i):</b>					
Chen Shuang (retired on 21 September 2023)	150	–	–	–	150
<b>Independent non-executive Directors (note i):</b>					
Chu Chi Wai, Allan	300	–	–	–	300
Lau Yuen Sun, Adrian	300	–	–	–	300
Lau Kei May	300	–	–	–	300
	<b>1,050</b>	<b>9,219</b>	<b>1,885</b>	<b>461</b>	<b>12,615</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

Year ended 31 March 2023

	Fees <i>HK\$'000</i>	Salaries and other benefits <i>HK\$'000</i>	Share-based payment expenses (note iv) <i>HK\$'000</i>	Retirement benefit scheme contributions <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Executive Directors (note i):</b>					
Fang Hung, Kenneth (passed away on 28 August 2022)	–	600	–	–	600
Fang Yan Tak, Douglas (note ii)	125	770	–	33	928
Li Kwok Wai, Frankie (note iii)	–	5,079	–	254	5,333
Leung Tze Kuen	–	1,620	477	81	2,178
<b>Non-executive Directors (note i):</b>					
Chen Shuang	300	–	–	–	300
<b>Independent non-executive Directors (note i):</b>					
Chu Chi Wai, Allan	300	–	–	–	300
Lau Yuen Sun, Adrian	300	–	–	–	300
Lau Kei May	300	–	–	–	300
	1,325	8,069	477	368	10,239

Notes:

- (i) 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 directors and independent non-executive directors were for their services as directors of the Company.
- (ii) Mr. Fang Yan Tak, Douglas had been appointed as Chairman of the Company with effect from 1 September 2022, and re-designated from a Non-executive Director to an Executive Director on the same date.
- (iii) 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.
- (iv) One 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 37.

No director waived any emoluments for any of the two years reported.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2023: two) were directors of the Company whose emoluments are included in note 12 above. The emoluments of the remaining three (2023: three) individuals were as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Salaries and other benefits	8,287	8,665
Retirement benefit scheme contributions	2,085	1,963
Total emoluments	<b>10,372</b>	10,628

Their emoluments were within the following bands:

	2024 <i>No. of employees</i>	2023 <i>No. of employees</i>
HK\$2,000,001 to HK\$2,500,000	–	1
HK\$2,500,001 to HK\$3,000,000	1	–
HK\$3,500,001 to HK\$4,000,000	1	1
HK\$4,000,001 to HK\$4,500,000	1	1

No remuneration was paid to directors and five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

## 14. DIVIDENDS

Dividends recognised as distributions during the year:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend for the year ended 31 March 2023 of HK5.0 cents per share (2023: Final dividend for the year ended 31 March 2022 of HK5.0 cents per share)	48,006	49,334
Second special dividend for the year ended 31 March 2023 of HK5.0 cents per share (2023: First special dividend for the year ended 31 March 2023 of HK20.0 cents per share)	48,005	196,181
	<b>96,011</b>	245,515

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 14. DIVIDENDS (CONTINUED)

For the year ended 31 March 2024, the Group distributed dividends of HK10.0 cents (2023: HK25.0 cents) per share, amounted to HK\$96,011,000 (2023: HK\$245,515,000). The difference between this amount and the amount of dividends recognised as a distribution disclosed in the consolidated statement of changes in equity represented the dividends to be paid to the Group's share award scheme.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2024 of HK5.0 cents (2023: a final dividend and a second special dividend in respect of the year ended 31 March 2023 of HK5.0 cents and HK5.0 cents, respectively) per ordinary share, in an aggregate amount of HK\$47,141,000 (2023: HK\$97,175,000), have been proposed by the directors of the Company and are subject to approval by the shareholders in the forthcoming annual general meeting.

## 15. EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<u>Earnings</u>		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	<u>176,764</u>	615,109
	<b>2024 Number of shares '000</b>	2023 Number of shares '000
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>945,089</u>	967,036
Effect of dilutive potential ordinary shares in respect of outstanding share awards	<u>4,284</u>	6,739
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>949,373</u>	973,775

The weighted average number of ordinary shares for the purpose of basic earnings per share shown above have been arrived at after deducting shares held by the share award scheme trust. The directors of the Company assessed that there is no material impact on the diluted earnings per share on the share-based payment transaction in associates.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$'000 <i>(Note)</i>	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
<b>COST</b>							
At 1 April 2022	146,496	131,638	16,234	431,224	8,979	29,510	764,081
Exchange realignment	(10,331)	(9,478)	(1,004)	(32,147)	(236)	(2,123)	(55,319)
Additions	–	305	226	738	390	31,742	33,401
Disposals and written off	–	(2,565)	(2,203)	(11,771)	(473)	–	(17,012)
Transfers	–	10,998	4,296	33,616	–	(48,910)	–
At 31 March 2023	136,165	130,898	17,549	421,660	8,660	10,219	725,151
Exchange realignment	(6,738)	(9,345)	(993)	(18,805)	(162)	(457)	(36,500)
Additions	–	305	207	79	1,100	43,690	45,381
Disposals and written off	–	(11,138)	(589)	(11,017)	(968)	–	(23,712)
Transfers	–	4,404	169	8,650	–	(13,223)	–
<b>At 31 March 2024</b>	<b>129,427</b>	<b>115,124</b>	<b>16,343</b>	<b>400,567</b>	<b>8,630</b>	<b>40,229</b>	<b>710,320</b>
<b>DEPRECIATION AND IMPAIRMENT</b>							
At 1 April 2022	69,956	89,057	11,990	317,345	8,185	–	496,533
Exchange realignment	(4,958)	(6,448)	(697)	(23,652)	(223)	–	(35,978)
Provided for the year	6,359	12,296	1,286	28,667	205	–	48,813
Impairment loss recognised in profit or loss	–	3,389	648	12,242	–	–	16,279
Eliminated on disposals and written off	–	(2,411)	(2,143)	(11,370)	(423)	–	(16,347)
At 31 March 2023	71,357	95,883	11,084	323,232	7,744	–	509,300
Exchange realignment	(3,590)	(7,066)	(512)	(14,615)	(133)	–	(25,916)
Provided for the year	5,990	6,216	1,582	27,363	389	–	41,540
Eliminated on disposals and written off	–	(11,125)	(517)	(10,997)	(955)	–	(23,594)
<b>At 31 March 2024</b>	<b>73,757</b>	<b>83,908</b>	<b>11,637</b>	<b>324,983</b>	<b>7,045</b>	<b>–</b>	<b>501,330</b>
<b>CARRYING VALUES</b>							
<b>At 31 March 2024</b>	<b>55,670</b>	<b>31,216</b>	<b>4,706</b>	<b>75,584</b>	<b>1,585</b>	<b>40,229</b>	<b>208,990</b>
At 31 March 2023	64,808	35,015	6,465	98,428	916	10,219	215,851

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Land and buildings	Over the lease term
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\$55,670,000 (2023: HK\$64,808,000) 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.

### Impairment assessment

Due to the suspension and low utilisation of certain production lines identified by the management during the year ended 31 March 2023, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment with carrying amounts of HK\$25,127,000 (2024: nil). The recoverable amount of property, plant and equipment, within the Displays segment, are estimated individually.

The recoverable amounts of the property, plant and equipment have been determined based on their fair value less costs of disposal. The Group estimates the fair value less costs of disposal of the assets by obtaining quotation from a third party buyer. The relevant assets were impaired to their recoverable amount of HK\$8,848,000 (2024: nil), which is their carrying values at year end and the total impairment loss of HK\$16,279,000 (2024: nil) has been recognised in profit or loss during the year ended 31 March 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 17. RIGHT-OF-USE ASSETS

	Rented premises <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>As at 31 March 2024</b>			
Carrying amount	<b>2,550</b>	<b>1,269</b>	<b>3,819</b>
<b>As at 31 March 2023</b>			
Carrying amount	15,092	1,338	16,430
<b>For the year ended 31 March 2024</b>			
Depreciation charge	<b>4,010</b>	<b>813</b>	<b>4,823</b>
<b>For the year ended 31 March 2023</b>			
Depreciation charge	4,386	670	5,056
		<b>2024</b>	<b>2023</b>
		<i>HK\$'000</i>	<i>HK\$'000</i>
Expense relating to short-term leases		<b>577</b>	645
Total cash outflow for leases		<b>(5,761)</b>	(6,067)
Addition to right-of-use assets		<b>2,676</b>	14,630

For both years, the Group leases various rented premises and motor vehicles. Lease contracts are entered into for fixed term of 2 to 5 years and with fixed lease payments. Lease terms are negotiated on individual basis and contain different terms. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The right-of-use assets are depreciated for 2 to 5 years.

During the year, the Group entered into new lease agreements for the use of leased properties for 2 to 5 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of HK\$2,676,000 and HK\$2,676,000 (2023: HK\$14,630,000 and HK\$14,630,000) respectively.

The Group regularly entered into short-term leases for rented premises. As at 31 March 2024 and 2023, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in this note above.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 17. RIGHT-OF-USE ASSETS (CONTINUED)

### Restrictions or covenants on leases

In addition, lease liabilities of HK\$3,923,000 are recognised with related right-of-use assets of HK\$3,819,000 as at 31 March 2024 (2023: lease liabilities of HK\$16,697,000 and related right-of-use assets of HK\$16,430,000). The lease agreements do not impose any covenants in the leased assets that are held by the lessors, and the relevant leased assets may not be used as security for borrowing purposes.

## 18. INVESTMENT PROPERTIES

	<i>HK\$'000</i>
<b>COST</b>	
At 1 April 2022, 31 March 2023 and 31 March 2024	<u>1,892</u>
<b>DEPRECIATION</b>	
At 1 April 2022	917
Provided for the year	<u>201</u>
At 31 March 2023	1,118
Provided for the year	<u>201</u>
At 31 March 2024	<u>1,319</u>
<b>CARRYING VALUES</b>	
At 31 March 2024	<u>573</u>
At 31 March 2023	<u>774</u>

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

As at 31 March 2024, the fair value of the Group's investment properties was HK\$32,300,000 (2023: HK\$34,700,000).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 18. INVESTMENT PROPERTIES (CONTINUED)

The fair value of the investment properties as at 31 March 2024 have been arrived at on the basis of a valuation carried out on that date by Asset Appraisal Limited (2023: 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 determined based on the market approach and arrived at by reference to market evidence of transaction prices for similar properties.

The Group leased out its investment properties under an operating lease with fixed rental receivable monthly. The leases typically run for an initial period of 1 to 2 years.

The Group is not exposed to foreign currency risk as a result of the lease arrangement, as the lease is denominated in the respective functional currency of the group entity. The lease contract does not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

Rental income from investment properties for the year is HK\$1,181,000 (2023: HK\$1,147,000). The direct operating expenses incurred for investment properties that generated rental income during the year is HK\$201,000 (2023: HK\$201,000).

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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<hr/>		
Commercial properties located in Hong Kong		
Carrying amount	<u>573</u>	<u>774</u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
	<hr/>	
Fair value at Level 3 hierarchy	<u>32,300</u>	<u>34,700</u>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 19. INTERESTS IN ASSOCIATES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cost of investments in associates		
Listed in the PRC	653,963	653,963
Unlisted	18,038	18,038
Share of post-acquisition results and other comprehensive income, net of dividends received:		
Listed in the PRC	1,537,404	1,420,110
Unlisted	(15,921)	9,228
Exchange adjustments	(149,349)	(39,968)
	<b>2,044,135</b>	2,061,371
The analysis includes those classified as held for sale:		
Current assets	1,708,365	–
Non-current assets	335,770	2,061,371
	<b>2,044,135</b>	2,061,371
Fair value of listed associates ( <i>note</i> )	<b>5,639,809</b>	7,880,427

*Note:* The fair value of the listed investments is determined based on the quoted market bid price multiplied by the quantity of shares held by the Group.

### Share of results of associates

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Listed in the PRC:		
Share of profits	176,626	241,799
Unlisted associate:		
Share of (losses) profits	(24,740)	773
	<b>151,886</b>	242,572

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 19. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the Group's associates as at 31 March 2024 and 2023 are as follows:

Name	Form of enterprise	Place of incorporation or registration/ operation	Proportion of nominal value of issued capital controlled by the Group		Principal activities
			2024	2023	
<b>Listed in the PRC</b>					
Nantong Jianghai Capacitor Co., Limited ("Nantong Jianghai") 南通江海電容器股份有限公司	Sino-foreign cooperate joint stock company	The PRC	<b>28.83%</b> <i>(Note 1)</i>	29.10% <i>(Note 1)</i>	Manufacturing and trading of aluminium electrolytic capacitors, thin film capacitors and super capacitors
Suzhou QingYue Optoelectronics Technology Co., Limited ("Suzhou QingYue") 蘇州清越光電科技股份有限公司	Sino-foreign cooperate joint stock company	The PRC	<b>28.08%</b>	28.08% <i>(Note 2)</i>	Development, manufacturing and selling of organic light emitting diode ("OLED") display products
<b>Unlisted associate</b>					
Zaozhuang Reinno Electronics Technology Co. Limited ("Zaozhuang Reinno") 棗莊睿諾電子科技有限公司	Sino-foreign cooperate limited liability company	The PRC	<b>33.33%</b> <i>(Note 3)</i>	40.00%	Development, manufacturing and selling of flexible printed circuits and OLED related products

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 19. 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 the PRC if it holds more than 30% 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 (“Billion Power”), 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 28.83% (2023: 29.10%) of the voting rights at the end of reporting period. The decrease in shareholding is due to the dilution effect in relation to the exercise of the share option by directors and employees of Nantong Jianghai. In respect of the dilution, a loss on deemed disposal, amounted to HK\$2,055,000 (2023: HK\$1,175,000). Regardless of the fact that Billion Power is disclosed as the controlling shareholder Nantong Jianghai in Nantong Jianghai’s public documents in the PRC, it is accounted for as interest in an associate using the equity method under HKAS 28 “Investments in Associates and Joint Ventures” as the Group has significant influence over the financial and operating decisions but not control of Nantong Jianghai.

*Note 2:* During the year ended 31 March 2023, the shares of Suzhou QingYue have been listed on the Science and Technology Innovation Board of Shanghai Stock Exchange and trading of the shares have commenced on 28 December 2022. Immediately after the Listing, the Group’s shareholding in Suzhou QingYue has decreased from 35.10% to 28.08%. The directors determines that the Group retains significant influence over Suzhou QingYue and accounts for the transaction as a deemed partial disposal of its investment in Suzhou QingYue. The Group compares the carrying amount of the disposed interest to its share of the cash subscribed by the other investors in order to calculate the dilution gain or loss resulting from this deemed partial disposal for the year ended 31 March 2023. This results in the recognition of a dilution gain of HK\$196,761,000 in the consolidated financial statements of the Group. Following the partial disposal, the investment in Suzhou QingYue continues to be accounted for using the equity method with the Group’s share of profit or loss and other comprehensive income from Suzhou QingYue based on its remaining 28.08% interest.

*Note 3:* During the year ended 31 March 2024, the Group’s shareholding has decreased from 40.00% to 33.33% because of capital injection by other shareholder of Zaozhuang Reinno. Besides, the share of result from Zaozhuang Reinno exceeded its investment cost, therefore the Group ceased to share the loss from Zaozhuang Reinno during the current year.

### Summarised financial information of material associates

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 information prepared in accordance with HKFRSs adjusted by the Group for equity accounting purposes.

All of these associates are accounted for using equity method in these consolidated financial statements.

#### *Nantong Jianghai*

##### *Financial position*

	2024 HK\$'000	2023 HK\$'000
Current assets	4,754,663	4,701,192
Non-current assets	3,116,333	3,062,312
Current liabilities	(1,467,153)	(1,560,898)
Non-current liabilities	(315,429)	(438,867)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 19. INTERESTS IN ASSOCIATES (CONTINUED)

#### Summarised financial information of material associates (Continued)

##### *Nantong Jianghai (Continued)*

*Results for the year*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	<u>5,190,237</u>	<u>5,372,957</u>
Profit for the year	<u>749,830</u>	<u>761,606</u>
Other comprehensive expense for the year	<u>(27,540)</u>	<u>(17,839)</u>
Total comprehensive income for the year	<u>722,290</u>	<u>743,767</u>
Dividend received from the associate during the year	<u>40,145</u>	<u>36,327</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net assets of Nantong Jianghai	6,088,414	5,763,739
Non-controlling interests of Nantong Jianghai	(39,154)	(27,382)
Proportion of the Group's ownership interest in Nantong Jianghai	28.83%	29.10%
The Group's share of net assets of Nantong Jianghai	1,744,002	1,669,280
Other adjustments ( <i>note</i> )	<u>(35,637)</u>	<u>(40,339)</u>
Carrying amount of the Group's interest in Nantong Jianghai	<u>1,708,365</u>	<u>1,628,941</u>

*Note:* Other adjustments included share-based payment transaction at Nantong Jianghai granted to its employees and the consideration in excess of the carrying amount of the non-controlling interests of Nantong Jianghai upon acquisition of the additional interests in subsidiaries acquired by Nantong Jianghai.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 19. INTERESTS IN ASSOCIATES (CONTINUED)

### Summarised financial information of material associates (Continued)

#### *Suzhou QingYue*

##### *Financial position*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current assets	1,386,147	1,475,259
Non-current assets	964,279	991,991
Current liabilities	(789,764)	(554,935)
Non-current liabilities	(212,938)	(274,832)

##### *Results for the year*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	649,057	1,270,112
(Loss) profit for the year	(144,456)	39,537
Other comprehensive income for the year	–	2,716
Total comprehensive (expense) income for the year	(144,456)	42,253
Dividend received from the associate during the year	9,155	–

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net assets of the Suzhou QingYue	1,347,724	1,637,483
Non-controlling interests of Suzhou QingYue	(139,682)	(177,889)
Proportion of the Group's ownership interest in Suzhou QingYue	28.08%	28.08%
The Group's share of net assets of Suzhou QingYue	339,218	409,854
Other adjustments ( <i>note</i> )	(3,448)	(3,642)
Carrying amount of the Group's interest in Suzhou QingYue	335,770	406,212

*Note:* Other adjustments included share-based payment transaction of Suzhou QingYue granted to its employees of Suzhou QingYue.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 20. DEBT INVESTMENTS AT AMORTISED COST

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Debt investments	6,940	18,305
Impairment gain recognised	10,668	14,573
	<b>17,608</b>	<b>32,878</b>

At the end of both reporting periods, the Group's debt investments at amortised cost mainly comprise listed bonds that are graded as speculative credit risk investments (Caa3 in Moody's Rating Scale) as per globally understood definitions.

On 4 September 2023, the issuer of the debt investments at amortised cost (the "Issuer") announced the plan to seek for the consent of the bondholders for the further extension of the maturity date of all debt investments issued by the Issuer which extended matured date were originally during June 2024 to September 2025, by four years to June 2028 and September 2029. The consent of the bondholders were obtained by the Issuer for the extension of maturity date of debt investments during September 2023.

Since the revised terms have resulted in a substantial modification from the original terms, the carrying amount of the debt investments of HK\$10,347,000 (2023: HK\$9,177,000) was derecognised and the fair value of the modified debt investments of HK\$6,940,000 (2023: HK\$17,897,000) was recognised at the date of modification. This resulted in a loss on derecognition of HK\$3,407,000 (2023: gain on derecognition of HK\$8,720,000) which was recognised in the profit or loss for the year ended 31 March 2024. Subsequent to the modification of the debt investments, an impairment gain of HK\$10,668,000 (2023: HK\$14,573,000) was recognised in the profit or loss for the enhancement of credit risk of the modified debt investment.

The credit-impaired effective interest rates of the modified debt investments are ranged from 1.1% to 4.6% per annum (2023: 1.8% to 11.5% per annum).

Details of impairment assessment of debt investments at amortised cost are set out in note 34b.

## 21. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 22. INVENTORIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Raw materials	31,014	41,514
Work in progress	16,941	18,406
Finished goods	89,645	124,763
	<b>137,600</b>	<b>184,683</b>

## 23. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	170,121	231,858
Less: Allowance for credit losses ( <i>Note 34(b)</i> )	(7,473)	(13,842)
	<b>162,648</b>	<b>218,016</b>
Loan receivables ( <i>note a</i> )	11,309	46,332
Other receivables	7,604	7,726
Deposits	1,374	895
Prepayments	20,322	27,342
	<b>203,257</b>	<b>300,311</b>
Analysed for reporting purposes as:		
Non-current assets ( <i>note b</i> )	3,711	4,892
Current assets	199,546	295,419
	<b>203,257</b>	<b>300,311</b>

*Note a:* Loan receivables mainly included:

- (i) As at 31 March 2023, the principal of the unsecured loan to the shareholder of Suzhou QingYue, an associate of the Group, amounting to RMB24,000,000 (equivalent to HK\$27,430,000) which was repayable in August 2023. The loan receivable carries interests at fixed rate of 4.35% per annum. The loan was fully settled during the current year.
- (ii) As at 31 March 2023, the principal of the secured loan to the shareholder of Zaozhuang Reinno, associate of the Group, amounting to RMB14,000,000 (equivalent to HK\$16,002,000) which was repayable on demand in March 2024. The loan receivable carries interests at fixed rate of 2% per annum. The loan was fully settled during the current year.

*Note b:* Non-current assets include prepayments of property, plant and equipment as at 31 March 2024 and 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 23. TRADE AND OTHER RECEIVABLES (CONTINUED)

At 1 April 2022, trade receivables from contracts with customers amounted to HK\$264,201,000.

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 34b, amounted to HK\$93,675,000 (2023: HK\$142,178,000).

The Group has a policy of allowing credit periods ranging from 30 days to 150 days.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1 – 30 days	90,020	108,488
31 – 60 days	36,540	66,899
61 – 90 days	27,600	23,374
91 – 120 days	6,939	14,335
Over 120 days	1,549	4,920
	<b>162,648</b>	<b>218,016</b>

As at 31 March 2024, included in the Group's trade receivables net of allowance for credit losses balance are debtors with aggregate carrying amount of HK\$48,218,000 (2023: HK\$77,158,000) which are past due as at the reporting date. Out of the past due balances, HK\$5,463,000 (2023: HK\$9,329,000) 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 and future economy conditions of each customer. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in note 34b.

### 24. CASH AND CASH EQUIVALENTS

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 0.001% to 5.200% (2023: 0.01% to 4.735%) per annum.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 24. CASH AND CASH EQUIVALENTS (CONTINUED)

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities as stated in note 34b, amounted to approximately HK\$31,929,000 (2023: HK\$164,580,000).

Details of impairment assessment of bank balances are set out in note 34b.

## 25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	2024 HK\$'000	2023 HK\$'000
Unlisted equity investments ( <i>Note a</i> )	108,474	–
Investment in unlisted equity investment in limited partnership ( <i>Note b</i> )	28,158	–
	<b>136,632</b>	–

### Notes:

- (a) During the current year, the Group invested RMB100,000,000 (equivalent to HK\$108,300,000) for approximately 1% equity interests in a private company, which is established in the PRC and principally engaged in the design, research and development and sales of graphics processing unit chips. These investments are not held for trading but for long-term strategic purposes.
- (b) During the current year, the Group invested RMB26,000,000 (equivalent to HK\$28,158,000) for approximately 92.1% equity interests in a limited partnership which is established in the PRC. The Group does not have participate in making operating, investing and financing decisions of the partnership, accordingly, the directors of the Company consider the Company does not have control or influence over the partnership. These investments are not held for trading but for long-term strategic purposes.

## 26. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

On 12 March 2024, the Group entered into a shares purchase agreement to dispose of 20.02% of the equity interests in Nantong Jianghai Capacitor Company Ltd. ("Nantong Jianghai") (the "Disposal") to Zhejiang Construction Investment Group Company Limited, an independent third party incorporated in the PRC. Subsequent to the Disposal, the Group will account for its remaining 8.81% shareholding in Nantong Jianghai as an investment measured at fair value through profit or loss in the Group's consolidated financial statements.

As at 31 March 2024, the carrying amount of the interest in Nantong Jianghai and the associated liabilities have been classified as assets and liabilities held for sale and are presented separately in the consolidated statement of financial position as the Disposal is expected to be completed within twelve months. As the net proceeds of the Disposal are expected to exceed the net carrying amount of the relevant assets and liabilities, no impairment loss has been recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 26. ASSETS CLASSIFIED AS HELD FOR SALE AND LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

As at 31 March 2024, the assets and liabilities of Nantong Jianghai classified as held for sale are as follows:

	2024 <i>HK\$'000</i>
Interests in associates classified as held for sale	<u>1,708,365</u>
Deferred tax liabilities associated with assets classified as held for sale	<u>82,710</u>

### 27. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	119,234	153,475
Accrued charges	62,558	91,055
Other payables	<u>44,338</u>	<u>26,907</u>
	<u>226,130</u>	<u>271,437</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
1 – 30 days	57,323	81,451
31 – 60 days	16,758	27,544
61 – 90 days	22,140	12,767
91 – 120 days	12,725	15,831
Over 120 days	<u>10,288</u>	<u>15,882</u>
	<u>119,234</u>	<u>153,475</u>

The credit period on purchase of goods is 30 days to 120 days.

The Group's trade and other payables that are denominated in foreign currencies, other than functional currencies of the relevant group entities, amounted to HK\$38,526,000 (2023: HK\$24,952,000).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 28. CONTRACT LIABILITIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deposits received from customers	<u>26,633</u>	<u>39,303</u>

As at 1 April 2022, contract liabilities amounted to HK\$47,742,000.

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 relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in current year.

	<b>Amounts received in advance for sales of displays products</b> <i>HK\$'000</i>
<b>For the year ended 31 March 2024</b>	
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>39,303</u>
<b>For the year ended 31 March 2023</b>	
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>47,742</u>

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

Contract liabilities primarily relate to deposits from customers when the sale order is issued. The Group receives 30% to 100% (2023: 30% to 100%) of the contract value as deposits from certain new 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 the products.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 29. BANK BORROWINGS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Bank borrowings – unsecured	<u>31,735</u>	<u>4,284</u>
Carrying amount of bank borrowings repayable based on scheduled repayment dates set out in the loan agreements:		
Within one year	<u>31,735</u>	<u>4,284</u>
Amounts due within one year shown under current liabilities	<u>31,735</u>	<u>4,284</u>

The bank borrowings are carried interest at a variable rate ranging from 1.50% to 6.45% (2023: 2.51%) per annum for the year ended 31 March 2024.

### 30. LEASE LIABILITIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Lease liabilities payable:</b>		
Within one year	2,562	4,750
Within a period of more than one year but not more than two years	1,194	3,499
Within a period of more than two years but not more than five years	<u>167</u>	<u>8,448</u>
	<b>3,923</b>	16,697
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(2,562)</u>	<u>(4,750)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>1,361</u>	<u>11,947</u>

The weighted average incremental borrowing rates applied to lease liabilities is 3.32% (2023: 3.99%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 31. 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 associates <i>(Note)</i> <i>HK\$'000</i>	Undistributed profits in associates <i>HK\$'000</i>	Undistributed other comprehensive income in associates <i>HK\$'000</i>	Fair value change of financial asset at FVTPL <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2022	34,323	50,559	1,625	–	(124)	86,383
Withholding tax paid	(2,176)	(4,060)	–	–	–	(6,236)
Charge to profit or loss	19,676	12,788	–	–	–	32,464
Credit to other comprehensive income	–	–	(177)	–	–	(177)
Exchange differences	(2,182)	(3,805)	(120)	–	–	(6,107)
At 31 March 2023	49,641	55,482	1,328	–	(124)	106,327
Withholding tax paid	–	(2,943)	–	–	–	(2,943)
Charge to profit or loss	–	6,509	–	43	–	6,552
Credit to other comprehensive income	–	–	(399)	–	–	(399)
Exchange differences	(2,606)	(3,174)	(65)	–	319	(5,526)
At 31 March 2024	<b>47,035</b>	<b>55,874</b>	<b>864</b>	<b>43</b>	<b>195</b>	<b>104,011</b>

*Note:* Pursuant to the non-public offering of shares of Nantong Jianghai in 2016 and public offering of shares of Suzhou QingYue in 2022, the Group's interest in Nantong Jianghai and Suzhou QingYue increased, resulting in an increase in the temporary differences in interests in associates.

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The analysis includes those classified as held for sale:		
Current liabilities	<b>82,710</b>	–
Non-current liabilities	<b>21,301</b>	106,327
	<b>104,011</b>	106,327

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 31. DEFERRED TAXATION (CONTINUED)

Under the EIT Law, distributable profits earned by foreign investment enterprises since 1 January 2008 are subject to withholding tax of 10% of profit distributed to non-resident investors. However, pursuant to the Arrangement between the PRC 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.

At the end of the reporting period, the Group had temporary differences, including unused tax losses, allowance for credit losses on trade and other receivables and interest receivables of debt investments at amortised cost, allowance of inventories, acceleration of depreciation, etc, amounted to HK\$21,560,000 (2023: HK\$23,650,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses and temporary differences for both years due to the unpredictability of future profit streams. Included in unrecognised tax losses are HK\$2,263,000 (2023: HK\$1,653,000) that will expire within five years. The remaining unrecognised tax losses may be carried forward indefinitely.

The Group has recognised a deferred tax liability for the Group's share of the undistributed distributable profits earned by its PRC associates since 1 January 2008. Deferred tax liabilities in respect of the distributable profits retained by the Group's PRC subsidiaries 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.

## 32. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised ordinary shares of HK\$0.2 each	2,000,000	400,000
Issued and fully paid		
At 1 April 2022	993,081	198,616
Share repurchased and cancelled	(16,899)	(3,380)
At 31 March 2023	976,182	195,236
Share repurchased and cancelled	(20,008)	(4,001)
<b>At 31 March 2024</b>	<b>956,174</b>	<b>191,235</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 32. SHARE CAPITAL (CONTINUED)

During the current year, the Company repurchased its own ordinary shares through SEHK as follows:

Month of repurchase	Number of ordinary shares of HK\$0.2 each '000	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
April 2023	2,174	2.92	2.82	6,257
June 2023	1,830	2.89	2.84	5,260
July 2023	4,454	2.97	2.82	12,916
August 2023	5,108	3.00	2.89	15,084
September 2023	1,546	2.94	2.80	4,445
October 2023	2,640	2.88	2.80	7,552
November 2023	300	2.84	2.79	848
December 2023	3,638	2.81	2.75	10,118
January 2024	2,496	2.97	2.75	7,137
March 2024	4,120	3.50	3.34	14,196
Total	28,306			83,813

Out of 28,306,000 ordinary shares repurchased, 17,752,000 ordinary shares were cancelled during the current year, while the remaining 10,554,000 repurchased ordinary shares will be cancelled subsequent to reporting period. In addition, 2,256,000 ordinary shares repurchased in March 2023 were cancelled during the current year.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the current period.

### 33. 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 of the Company consider the cost of capital and risks associated with each class of capital. Based on recommendations of the directors of the Company, 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS

### 34a. Categories of financial instruments

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Financial assets</b>		
At amortised cost	353,410	606,160
Financial assets at FVTPL	<u>136,632</u>	<u>–</u>
<b>Financial liabilities</b>		
At amortised cost	195,307	184,666
Derivative financial instruments	<u>–</u>	<u>3,262</u>

### 34b. Financial risk management objective and policies

The Group's financial instruments include derivative financial instruments, financial assets at FVTPL, trade receivables, loan receivables, other receivables and deposits, debt investments at amortised cost, cash and cash equivalents, trade and other payables, bank borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### ***Market risks***

##### *(i) Currency risk*

Several group entities have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 46% (2023: 52%) of the Group's sales are denominated in currencies other than the functional currency of the group entities making the sale, whilst approximately 17% (2023: 18%) of purchases of raw materials are denominated in currencies other than the functional currency of the group entities.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. 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, debt investments at amortised costs, cash and cash equivalents, monetary liabilities, including trade and other payables and intercompany balances, 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	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
HK\$	–	76,650	82	67
RMB	1,577	22,725	24,176	7,226
Taiwan dollars ("NT\$")	4,835	6,746	634	389
Japanese Yen ("JPY")	337	84	917	616
United States dollars ("US\$")	229,899	444,527	150,028	155,002
Swiss franc ("CHF")	120	2,914	–	–

The Group uses foreign exchange forward contracts to reduce certain foreign currency risk exposure between USD and RMB. At 31 March 2024, the Group has entered into forward contracts in relation to the foreign currency amounting to HK\$nil (2023: HK\$212,735,000). The Group currently has a foreign exchange hedging policy and will consider hedging significant foreign exchange exposure should the need arises.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. 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 currencies. For a 5% strengthening of the functional currency of the relevant group entities against the relevant currencies, there would be an equal and opposite impact on the post-tax profit, and the balances below would be negative.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
HK\$	(3)	3,197
RMB	(944)	647
NT\$	175	265
JPY	(24)	(22)
CHF	5	122

For the group entities with functional currency in HK\$, as HK\$ is pegged to US\$, the exposure of a fluctuation in exchange risk of HK\$ against 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. 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 24 for details).

The Group is exposed to fair value interest rate risk in relation to debt instruments at amortised cost (see note 20 for details), loan receivables (see note 23 for details), bank borrowings (see note 29 for details) and lease liabilities (see note 30 for details).

The directors of Company consider that cash flow interest rate risk is insignificant. The management continuously monitors interest rate fluctuations and will consider further hedging the 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 are limited due to their short maturities.

#### ***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, loan receivables, other receivables and deposits, debt investments at amortised cost and bank balances 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 on trade balances based on individual assessment for those debtors with credit-impaired and/or collective assessment through grouping of various debtors that have similar loss patterns, after considering ageing, repayment history and/or past due status of respective trade receivables.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. Financial risk management objective and policies (Continued)

#### *Credit risk and impairment assessment (Continued)*

##### *Trade receivables (Continued)*

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, Mainland China and United States and with a good payment history, accounted for 20% (2023: 26%) of the Group's total trade receivables. The Group monitors 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.

##### *Loan receivables*

The Group has a policy for assessing the impairment on loan receivables on individual basis. The ECL rates are estimated based on historical observed default rates and forward looking information, including but not limited to the historical settlement patterns and financial status of each borrower, and forecasted global economy, respectively.

Based on assessment by the management, the probability of default is low in view of the historical observed default rates, the credit quality classification and forward-looking information, including but not limited to the historical settlement patterns and financial status of each borrower and the management considers the ECL for loan receivables is insignificant and therefore no loss allowance was recognised.

##### *Other receivables and deposits*

For other receivables and deposits, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the management considers the ECL for other receivables and deposits is insignificant and therefore no loss allowances was recognised.

##### *Debt investments at amortised cost*

The Group only invests in debt investments at amortised cost. The Group's debt investments at amortised cost mainly comprise listed bonds that are graded in speculative credit risk investments (Caa3 in Moody's Rating Scale) as per globally understood definitions. During the year ended 31 March 2024, ECL on debt investments at amortised cost amounting to HK\$14,333,000 (2023: HK\$56,584,000) is recognised in the profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. Financial risk management objective and policies (Continued)

#### *Credit risk and impairment assessment (Continued)*

##### *Bank balances*

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

The Group's internal credit risk grading assessment comprises the following categories:

<b>Internal credit rating</b>	<b>Description</b>	<b>Trade receivables</b>	<b>Other financial assets</b>
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL - not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL - not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL - not credit-impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. Financial risk management objective and policies (Continued)

#### *Credit risk and impairment assessment (Continued)*

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

	<i>Notes</i>	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount 2024 <i>HK\$'000</i>	Gross carrying amount 2023 <i>HK\$'000</i>
<b>Financial assets at amortised cost</b>						
Debt investments at amortised cost	20	(Note i)	N/A	Lifetime ECL (2023: Lifetime ECL)	6,940	18,305
Trade receivables	23	N/A	(Note iii)	Lifetime ECL (collective assessment)	163,446	218,695
			Loss (Note iii)	Lifetime ECL (individual assessment)	6,675	13,163
Loan receivables	23	N/A	(Note iv)	12m ECL	11,309	46,332
Other receivables and deposits	23	N/A	(Note iv)	12m ECL	8,978	8,621
Bank balances	24	(Note ii)	N/A	12m ECL	152,687	300,171

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. Financial risk management objective and policies (Continued)

#### *Credit risk and impairment assessment (Continued)*

*Notes:*

- (i) The Group's debt investments at amortised cost mainly comprise listed bonds that are graded in the speculative credit risk investments (Caa3 in Moody's Rating Scale) as per globally understood definitions and therefore are considered to be speculative credit risk investments.
- (ii) Bank balances are deposited with financial institutions with high credit rating (A1 to Aa3 in Moody's Rating Scale) 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 these balances.
- (iii) As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on collective assessment within lifetime ECL (not credit-impaired). Debtors with credit-impaired with gross carrying amounts of HK\$6,675,000 as at 31 March 2024 (2023: HK\$13,163,000) were assessed individually.
- (iv) For the purpose of internal credit risk management, the Group uses historical observed default rates and forward looking information, including but not limited to the historical settlement patterns and financial status of each borrower, and forecasted global economy, respectively, for loan receivables. In addition, the management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the years ended 31 March 2023 and 2024, no ECL allowance on other receivables is recognised in the profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### 34b. Financial risk management objective and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

*Gross carrying amount*

	2024		2023	
	Average loss rate %	Trade receivables HK\$'000	Average loss rate %	Trade receivables HK\$'000
<b>Internal credit rating</b>				
Low risk	0.20	114,548	0.21	172,026
Watch list	0.70	40,918	0.68	46,661
Doubtful	3.57	7,980	3.65	8
Loss	100	6,675	100	13,163
		<u>170,121</u>		<u>231,858</u>

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by the management of the Group to ensure relevant information about specific debtors is updated.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. Financial risk management objective and policies (Continued)

#### *Credit risk and impairment assessment (Continued)*

##### *Gross carrying amount (Continued)*

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 <i>HK\$'000</i>	Lifetime ECL, credit- impaired <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2022	10,995	7,556	18,551
Changes due to financial instruments recognised as at 1 April 2022:			
– Transfer to credit-impaired	(213)	213	–
– Impairment loss recognised	–	103	103
– Impairment loss reversed	(6,485)	(6,218)	(12,703)
New financial assets originated	8,904	1,961	10,865
Exchange realignment	(2,572)	(402)	(2,974)
At 31 March 2023	10,629	3,213	13,842
Changes due to financial instruments recognised as at 1 April 2023:			
– Transfer to credit-impaired	(749)	749	–
– Impairment loss recognised	–	161	161
– Impairment loss reversed	(6,260)	(3,694)	(9,954)
New financial assets originated	3,334	332	3,666
Exchange realignment	(158)	(84)	(242)
<b>At 31 March 2024</b>	<b>6,796</b>	<b>677</b>	<b>7,473</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### 34b. Financial risk management objective and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

Changes in the loss allowance for trade receivables are mainly due to:

	2024		2023	
	Increase/(decrease) in lifetime ECL		Increase/(decrease) in lifetime ECL	
	Not credit- impaired <i>HK\$'000</i>	Credit- impaired <i>HK\$'000</i>	Not credit- impaired <i>HK\$'000</i>	Credit- impaired <i>HK\$'000</i>
Trade debtors with a gross carrying amount of HK\$900,000 (2023: HK\$1,270,000) defaulted and transferred to credit-impaired	(749)	749	(213)	213
Settlement in full of trade debtors with a gross carrying amount of HK\$71,324,000 (2023: HK\$137,413,000)	(6,260)	(3,694)	(6,485)	(6,218)
New trade receivables with gross carrying amount of HK\$106,901,000 (2023: HK\$103,686,000)	3,334	332	8,904	1,961

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 year past due, whichever occurs earlier.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### 34b. Financial risk management objective and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

The following table shows the movement in lifetime ECL that has been recognised for debt investments at amortised cost.

	12m ECL HK\$'000	Lifetime ECL, credit- impaired HK\$'000	Total HK\$'000
At 1 April 2022	1,256	–	1,256
Changes due to financial instruments recognised as at 1 April 2022:			
– Transfer to credit-impaired	(1,256)	1,256	–
– Impairment loss recognised	–	27,559	27,559
– Settlement	–	(2,176)	(2,176)
– Derecognition upon substantial modification	–	(26,639)	(26,639)
New financial assets originated			
– Impairment loss recognised	–	43,598	43,598
– Derecognition upon substantial modification	–	(43,598)	(43,598)
– Impairment gain recognised	–	(14,573)	(14,573)
At 31 March 2023	–	(14,573)	(14,573)
Changes due to financial instruments recognised as at 1 April 2023:			
– Impairment loss recognised	–	20,142	20,142
– Derecognition upon substantial modification	–	(5,569)	(5,569)
New financial assets originated			
– Settlement	–	(4,859)	(4,859)
– Impairment gain recognised	–	(5,809)	(5,809)
<b>At 31 March 2024</b>	<b>–</b>	<b>(10,668)</b>	<b>(10,668)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### 34b. Financial risk management objective and policies (Continued)

##### *Credit risk and impairment assessment (Continued)*

Changes in the loss allowance for debt investments at amortised cost are mainly due to:

	2024		2023	
	Increase/(decrease) in lifetime ECL		Increase/(decrease) in lifetime ECL	
	Not credit- impaired HK\$'000	Credit- impaired HK\$'000	Not credit- impaired HK\$'000	Credit- impaired HK\$'000
Debt investments at amortised cost with a gross carrying amount of nil (2023: HK\$40,300,000) defaulted and transferred to credit-impaired	–	–	(1,256)	1,256
Settlement in full of debt investments at amortised cost with a gross carrying amount of HK\$5,204,000 (2023: HK\$9,084,000)	–	(4,859)	–	(278)
Debt investments at amortised cost with a gross carrying amount of HK\$30,489,000 (2023: HK\$70,964,000) derecognised	–	(5,569)	–	(70,237)
New debt investments at amortised cost with gross carrying amount of HK\$6,940,000 (2023: HK\$18,305,000)	–	(5,809)	–	(14,573)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. 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 of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group monitors the utilisation of banking facilities and ensures compliance with loan covenants.

As at 31 March 2024, the Group's banking facilities amounted to HK\$285,700,000 (2023: HK\$160,700,000) of which approximately HK\$31,735,000 (2023: HK\$4,284,000) were utilised for issuance of letters of credit and bank borrowings.

#### *Liquidity table*

The following table details 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. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34b. Financial risk management objective and policies (Continued)

#### *Liquidity risk (Continued)*

*Liquidity table (Continued)*

	Weighted average interest rate %	Repayable on demand or less than 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Total undiscounted cash flow HK\$'000	Carrying amount HK\$'000
<b>At 31 March 2024</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables	-	163,572	-	-	163,572	163,572
Bank borrowings	6.45	31,735	-	-	31,735	31,735
<b>Other item:</b>						
Lease liabilities	3.32	2,592	1,219	121	3,932	3,923
		<b>197,899</b>	<b>1,219</b>	<b>121</b>	<b>199,239</b>	<b>199,230</b>
<b>At 31 March 2023</b>						
<b>Non-derivative financial liabilities</b>						
Trade and other payables	-	180,382	-	-	180,382	180,382
Bank borrowings	2.51	4,284	-	-	4,284	4,284
<b>Other item:</b>						
Lease liabilities	3.99	5,316	4,367	8,465	18,148	16,697
		<b>189,982</b>	<b>4,367</b>	<b>8,465</b>	<b>202,814</b>	<b>201,363</b>
<b>Derivatives</b>						
Foreign currency forward contracts		3,262	-	-	3,262	3,262

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34c. Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation or to establish the appropriate valuation techniques and inputs to the model.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31 March 2024	31 March 2023			
	HK\$'000	HK\$'000			
<b>Financial assets at FVTPL</b>					
- Unlisted equity investment	108,474	-	Level 3	Binomial option pricing model	Expected volatility of 62.49% (Note)
- Investment in unlisted equity investment in partnership	28,158	-	Level 2	Recent transaction price	N/A
<b>Financial liabilities</b>					
	31 March 2024	31 March 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	HK\$'000	HK\$'000			
<b>Derivative financial instruments</b>					
- Foreign currency forward contracts	-	(3,262)	Level 2	Future cash flows are estimated based on forward exchange (from observable forward exchange at the end of the reporting period) and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties.	N/A

*Note:* An increase in the expected volatility used in isolation would result in a increase in the fair value measurement of the unlisted equity investment, and vice versa. A 5% increase/decrease in the expected volatility holding all other variables constant would increase/decrease the carrying amount of the unlisted equity investment by HK\$1,350,000.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 34. FINANCIAL INSTRUMENTS (CONTINUED)

### 34d. Reconciliation of Level 3 fair value measurements

	<b>Unlisted equity Investment</b>
	<i>HK\$'000</i>
At 31 March 2023	–
Additions	108,300
Change in fair value credited to profit or loss	<u>174</u>
<b>At 31 March 2024</b>	<b><u>108,474</u></b>

Of the total gain for the year included in profit or loss, HK\$174,000 gain relates to financial assets measured at FVTPL held at the end of the current reporting period. Fair value gains or losses on financial assets measured at FVTPL are included in 'other gains and losses'.

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

- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.
- The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values, except for the debt investments at amortised cost which were detailed below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 34. FINANCIAL INSTRUMENTS (CONTINUED)

#### 34d. Reconciliation of Level 3 fair value measurements (Continued)

***Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis***

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

As at 31 March 2024

Financial assets	Carrying amount HK\$000	Fair value HK\$000	Fair value hierarchy	Key input
Debt investments at amortised cost	<u>17,608</u>	<u>12,973</u>	Level 1	Quoted bid price in an active market

As at 31 March 2023

Financial assets	Carrying amount HK\$000	Fair value HK\$000	Fair value hierarchy	Key input
Debt investments at amortised cost	<u>32,878</u>	<u>37,164</u>	Level 1	Quoted bid price in an active market

The carrying amount includes accrued interest receivables.

### 35. CAPITAL COMMITMENT

	2024 HK\$'000	2023 HK\$'000
Expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Acquisition of plant and machinery and construction in progress	<u>121,321</u>	<u>1,588</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 36. OPERATING LEASES

### The Group as lessor

All of the properties held for rental purposes have committed leases for the next 2 years.

Undiscounted lease payments receivable on leases are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	<u>1,238</u>	<u>1,046</u>

## 37. 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 24 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 from the sixth year of grant 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.

Recognition of equity-settled share-based payment expenses under share award scheme during the year was approximately HK\$4,562,000 (2023: HK\$1,538,000).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 37. SHARE AWARD SCHEME (CONTINUED)

Details of specific categories of share awards are as follows:

Date of grant	Vesting period	Number of shares	
		As at 31 March 2024	2023
16 August 2013	From 1 April 2019 to 31 March 2024	–	272,000
25 August 2014	From 1 April 2020 to 31 March 2025	178,800	557,600
25 September 2015	From 1 April 2021 to 31 March 2026	268,000	582,000
27 September 2016	From 1 April 2022 to 31 March 2027	498,000	928,000
29 August 2017	From 1 April 2023 to 31 March 2028	688,000	1,070,000
29 October 2018	From 1 April 2024 to 31 March 2029	1,180,000	1,860,000
3 December 2019	From 1 April 2025 to 31 March 2030	1,880,000	2,560,000
18 April 2023	From 1 April 2026 to 31 March 2033	1,560,000	–
31 March 2024	From 1 April 2029 to 31 March 2034	1,360,000	–
		<b>7,612,800</b>	<b>7,829,600</b>

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

	Number of shares
At 1 April 2022	9,292,800
Vested ( <i>Note</i> )	(1,058,400)
Forfeited	(404,800)
At 31 March 2023	7,829,600
Granted	3,840,000
Vested ( <i>Note</i> )	(4,056,800)
<b>At 31 March 2024</b>	<b>7,612,800</b>

All the awarded shares are purchased from the market.

*Note:* These represent awarded shares vested during the year.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 38. RETIREMENT BENEFIT PLANS

The Group participates in the 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 entities in the PRC are members of a state-managed retirement benefit scheme operated by the government in the PRC. The group entities 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 39. 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.

	<b>Bank borrowings</b>	<b>Lease liabilities</b>	<b>Dividend payable</b>	<b>Dividend payable to non- controlling interests</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note)</i>				
At 1 April 2022	12,033	7,415	–	–	19,448
Financing cash flows	(8,196)	(5,422)	(241,106)	(5,673)	(260,397)
New lease entered ( <i>Note 17</i> )	–	14,630	–	–	14,630
Interest expenses	605	338	–	–	943
Declaration of dividend	–	–	241,106	5,673	246,779
Exchange realignment	(158)	(264)	–	–	(422)
At 31 March 2023	4,284	16,697	–	–	20,981
Financing cash flows	26,661	(5,184)	(94,257)	(17,235)	(90,015)
New lease entered ( <i>Note 17</i> )	–	2,676	–	–	2,676
Lease modified	–	(10,464)	–	–	(10,464)
Interest expenses	662	490	–	–	1,152
Declaration of dividend	–	–	94,257	17,235	111,492
Exchange realignment	128	(292)	–	–	(164)
<b>At 31 March 2024</b>	<b>31,735</b>	<b>3,923</b>	<b>–</b>	<b>–</b>	<b>35,658</b>

*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 in the consolidated statement of cash flows.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 40. RELATED PARTY TRANSACTIONS

Saved as the transactions and balances with related parties disclosed in the consolidated statement of financial position and note 12, the Group entered into the following transactions with related parties.

#### 40a. Transactions with related parties

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income from loans to shareholders of associates	526	1,449

#### 40b. Compensation of key management personnel

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Short-term benefits	10,269	9,394
Share-based payment expenses	1,885	477
Post-employment benefits	461	368
	<b>12,615</b>	10,239

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 41. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>		
Investments in subsidiaries	83,414	83,394
Amounts due from subsidiaries	101,442	107,752
Debt investments at amortised cost	17,608	32,878
	<u>202,464</u>	<u>224,024</u>
<b>Current assets</b>		
Amounts due from subsidiaries	429,497	174,280
Other receivables	410	483
Cash and cash equivalents	5,944	122,426
	<u>435,851</u>	<u>297,189</u>
<b>Current liabilities</b>		
Accrued charges	7,930	6,577
Amounts due to subsidiaries	142,673	65,180
	<u>150,603</u>	<u>71,757</u>
<b>Net current assets</b>	<u>285,248</u>	<u>225,432</u>
	<u>487,712</u>	<u>449,456</u>
<b>Capital and reserves</b>		
Share capital	191,235	195,236
Reserves	296,477	254,220
	<u>487,712</u>	<u>449,456</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 41. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

### Movement of reserves

	Share premium <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i>	Share award reserve <i>HK\$'000</i>	Shares held for share award scheme <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>(Note)</i>								
At 1 April 2022	110,750	11,444	11,682	(27,712)	49,259	-	80,018	235,441
Profit and total comprehensive income for the year	-	-	-	-	-	-	321,790	321,790
Repurchase and cancellation of ordinary shares <i>(note 32)</i>	-	3,831	-	-	-	(451)	(57,745)	(54,365)
Shares purchased for share award scheme	-	-	-	(9,170)	-	-	-	(9,170)
Recognition of equity-settled share-based payment expenses under share award scheme <i>(note 37)</i>	-	-	1,538	-	-	-	-	1,538
Shares vested under share award scheme <i>(note 37)</i>	-	-	(1,776)	3,408	-	-	(1,632)	-
Dividends recognised as distribution <i>(note 14)</i>	-	-	-	-	-	-	(241,014)	(241,014)
At 31 March 2023	110,750	15,275	11,444	(33,474)	49,259	(451)	101,417	254,220
Profit and total comprehensive income for the year	-	-	-	-	-	-	218,145	218,145
Repurchase and cancellation of Ordinary shares <i>(note 32)</i>	-	5,661	-	-	-	(1,660)	(83,813)	(79,812)
Shares purchased for share award scheme	-	-	-	(6,381)	-	-	-	(6,381)
Recognition of equity-settled share-based payment expenses under share award scheme <i>(note 37)</i>	-	-	4,562	-	-	-	-	4,562
Shares vested under share-Award scheme <i>(note 37)</i>	-	-	(8,459)	11,740	-	-	(3,281)	-
Dividends recognised as Distribution <i>(note 14)</i>	-	-	-	-	-	-	(94,257)	(94,257)
At 31 March 2024	110,750	20,936	7,547	(28,115)	49,259	(2,111)	138,211	296,477

*Note:* 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

## 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) Details of the Company's principal subsidiaries at 31 March 2024 and 2023 were as follows:

Name of subsidiaries	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		Principal activities
				2024	2023	
Billion Power <i>(Notes 1 and 2)</i>	Incorporated	Hong Kong	HK\$1	100%	100%	Investment holding
Crown Capital <i>(Notes 1, 2 and 3)</i>	Incorporated	BVI	US\$8,502	47.05%	47.05%	Investment holding
Faith Crown International Limited <i>(Note 1)</i>	Incorporated	BVI	US\$1	100%	100%	Investment holding
Jiangmen Yeebo Electronic Technology Limited <i>(Note 1)</i> 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., Limited <i>(Note 1)</i> 江門億都半導體有限公司	Wholly-owned foreign enterprise	The PRC	US\$23,000,000 registered capital	100%	100%	Manufacture of LCDs and LCMs
Yeebo (B.V.I.) Limited <i>(Notes 1 and 2)</i>	Incorporated	BVI	US\$8,100	100%	100%	Investment holding
Yeebo Display Limited <i>(Note 1)</i>	Incorporated	Hong Kong	HK\$1	100%	100%	Trading of LCDs and LCMs
Yeebo LCD Limited <i>(Note 1)</i>	Incorporated	Hong Kong	HK\$10,000	100%	100%	Trading of LCDs and LCMs and investment holding
Yeebo Manufacturing Limited <i>(Note 1)</i>	Incorporated	Hong Kong	HK\$10,000	100%	100%	Trading of LCDs and LCMs
DMB Technics AG <i>(Note 1)</i>	Wholly-owned foreign enterprise	Switzerland	CHF400,000	51%	51%	Trading of LCDs and LCMs



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

#### (a) Details of the Company's principal subsidiaries at 31 March 2024 and 2023 were as follows: (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 subsidiary 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		(Loss) profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2024	2023	2024	2023	2024	2023
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
Crown Capital	BVI	52.95%	52.95%	(5,568)	30,929	61,222	71,468
Individual immaterial subsidiaries with non-controlling interests				15,581	15,206	35,275	35,604
				10,013	46,135	96,497	107,072

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

#### (b) Details of non-wholly owned subsidiary that have material non-controlling interests (Continued)

##### *Crown Capital*

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current assets	<u>26,543</u>	26,415
Current liabilities	<u>(13,351)</u>	(15,504)
Non-current assets	<u>102,431</u>	124,063
Equity attributable to owners of the Company	<u>54,401</u>	63,506
Non-controlling interests	<u>61,222</u>	71,468
Gain on deemed disposal of an associate	–	54,383
Share of results of an associate	(11,211)	3,688
Other income	<u>695</u>	341
(Loss) profit for the year	<u>(10,516)</u>	58,412
Other comprehensive expense	<u>(6,365)</u>	(3,389)
(Loss) profit attributable to owners of the Company	<b>(4,948)</b>	27,483
Other comprehensive expense attributable to owners of the Company	<b>(2,995)</b>	(1,595)
(Loss) profit attributable to non-controlling interests	<b>(5,568)</b>	30,929
Other comprehensive expense attributable to non-controlling interests	<u><b>(3,370)</b></u>	(1,794)
(Loss) profit and total comprehensive (expense) income for the year	<u><b>(16,881)</b></u>	55,023

## FINANCIAL SUMMARY

### RESULTS

	For the year ended 31 March				
	2020	2021	2022	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	813,153	891,969	1,266,641	1,325,806	<b>936,607</b>
Profit before income tax	146,189	214,666	306,388	737,030	<b>199,473</b>
Income tax expense	(8,647)	(16,656)	(24,035)	(75,786)	<b>(12,696)</b>
Profit for the year	<b>137,542</b>	<b>198,010</b>	<b>282,353</b>	<b>661,244</b>	<b>186,777</b>
Attributable to:					
Owners of the Company	123,822	187,734	266,579	615,109	<b>176,764</b>
Non-controlling interests	13,720	10,276	15,774	46,135	<b>10,013</b>
	<b>137,542</b>	<b>198,010</b>	<b>282,353</b>	<b>661,244</b>	<b>186,777</b>

### ASSETS AND LIABILITIES

	As at 31 March				
	2020	2021	2022	2023	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	2,131,409	2,532,000	2,978,212	3,114,070	<b>2,906,940</b>
Total liabilities	(293,225)	(374,318)	(486,248)	(455,213)	<b>(405,646)</b>
	<b>1,838,184</b>	<b>2,157,682</b>	<b>2,491,964</b>	<b>2,658,857</b>	<b>2,501,294</b>
Equity attributable to owners of the Company	1,805,460	2,103,385	2,424,257	2,551,785	<b>2,404,797</b>
Non-controlling interests	32,724	54,297	67,707	107,072	<b>96,497</b>
	<b>1,838,184</b>	<b>2,157,682</b>	<b>2,491,964</b>	<b>2,658,857</b>	<b>2,501,294</b>