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If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Same Time Holdings Limited you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

SAME TIME HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 451)

MAJOR TRANSACTION RELATING TO ACQUISITION OF MACHINES FROM SCHMOLL MASCHINEN GMBH

15 April 2010

CONTENTS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

"associate"	has the meaning ascribed to it under the Listing Rules
"Board"	board of Directors
"Company"	Same Time Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on Main Board of the Stock Exchange
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Jiangxi Factory"	the production facility of the Group in Jiangxi, the PRC
"Latest Practicable Date"	12 April 2010, being the practicable date prior to printing of this circular for ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PCB(s)"	printed circuit board(s)
"PRC"	People's Republic of China
"Purchaser"	Red Board Limited, a wholly owned subsidiary of the Company incorporated in Hong Kong with limited liability
"Schmoll"	Schmoll Maschinen GmbH
"Schmoll Purchase"	the purchase of 34 sets of drilling machines under purchase orders dated 25 March 2010 placed by the Purchaser with Schmoll at a total consideration of HK$33,900,000
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	share(s) of $0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sum Tai"	Sum Tai Holdings Limited, the controlling shareholder of the Company
"HK$"	Hong Kong dollar(s)

SAME TIME HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 451)

Directors:
Mr. Yip Sum Yin *(Chairman)*
Madam Yu Hung Min
Madam Yu Pei Yi
Mr. Lai Wing Leung, Peter*
Mr. Lam Kwok Cheong*
Madam Lee Mei Ling*

* *Independent non-executive Directors*

Principal Office:
17th Floor, Phase I
Kingsford Industrial Building
26-32 Kwai Hei Street
Kwai Chung
New Territories
Hong Kong

15 April 2010

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION RELATING TO ACQUISITION OF MACHINES FROM SCHMOLL MASCHINEN GMBH

INTRODUCTION

It was announced on 25 March 2010 that the Purchaser placed purchase orders for the acquisition of 34 sets of drilling machines with Schmoll for an aggregate consideration of HK$33,900,000.

The Schmoll Purchase constitutes a major transaction of the Company under the Listing Rules which requires the approval of the shareholders of the Company. The shareholders' approval to the Schmoll Purchase by a majority vote at a general meeting of the shareholders of the Company is not required as a written shareholder's approval pursuant to Rule 14.44 of the Listing Rules has been obtained as (i) no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for the approval thereof; and (ii) the Company has obtained a written shareholder's approval dated 25 March 2010 of Sum Tai (which holds 29,577,475 Shares, representing about 51.96% of the issued share capital of the Company giving the right to attend and vote at the general meeting of the Company to approve the Schmoll Purchase). Sum Tai is wholly-owned by Aberdare Assets Limited, which is wholly-owned by Mr. Yip How Yin Maurice as trustee of a discretionary trust established for the benefit of Mr. Yip Sum Yin, Madam Yu Hung Min (both directors of the Company) and their family.

The purpose of this circular is to give you further details of the Schmoll Purchase in accordance with the Listing Rules.

THE SCHMOLL PURCHASE

Date: 25 March 2010

Parties:

Vendor: Schmoll

Purchaser: the Purchaser, a wholly owned subsidiary of the Company

Schmoll is principally engaged in the selling of machines.

Assets acquired:

34 sets of drilling machines.

Consideration:

HK$33,900,000 in cash.

The consideration was arrived at after arm's length negotiations with Schmoll.

The Directors consider that the terms of the Schmoll Purchase are fair and reasonable and in the interests of the shareholders as a whole.

Payment terms:

The purchase prices are to be paid in cash by instalments.

Funding:

The purchase prices will be funded from internal resources and available banking facilities of the Group.

REASONS FOR THE TRANSACTION

The Group are principally engaged in the manufacturing and selling of PCBs and consumer electronic products.

The Schmoll Purchase is made for the production line of the Jiangxi Factory.

CONNECTION BETWEEN THE PARTIES

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Schmoll and its ultimate beneficial owners are independent third parties not connected with the Company, any directors, chief executive officer or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

FINANCIAL EFFECT ON THE GROUP

The Schmoll Purchase will result in an increase in both the Group's assets and liabilities. Save for a decrease in the Group's earnings as a result of increase in depreciation expenses and bank loan interest expenses, the Directors consider the Schmoll Purchase will enlarge the earnings base of the Group in the long-term though the magnitude of such impact will depend on the future performance of the Group.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The first production line in the Jiangxi Factory with maximum production capacity of approximately 350,000 square feet of PCBs per month commenced production in March 2009, which increased the overall production capacity of the Group by approximately 40%. The Directors consider PCB business will remain the core business of the Group in the future and the expanded production capacity will enable the Group to fulfil orders from customers once the global economy improves. In the short run, the economic environment is still challenging and the business of the Group remains difficult. The Directors hold a conservative view on the Group's sales and results for the current financial year. However, in view of the increasing demand of high density interconnect boards installed inside 3G mobile phones and netbooks in the PRC and the implementation of stimulus policy on the domestic economy by the PRC government, the Directors maintain a positive view on the future prospect of the Group in the long run.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Yip Sum Yin
Chairman

1. SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and of the assets and liabilities of the Group for the six months ended 30 September 2009 and each of the three years ended 31 March 2009, as extracted from the interim report and annual reports of the Company for the respective periods, is set out below.

Results

	For the six months ended 30 September	For the year ended 31 March		
	2009	2009	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(audited)	(audited)	(audited)
Revenue	470,871	1,111,632	1,134,938	933,170
Profit before income tax	6,233	35,891	53,574	82,111
Income tax expense	(3,870)	(12,726)	(22,518)	(11,809)
Profit attributable to Shareholders	2,363	23,165	31,056	70,302
Dividend	–	–	1,138	–
Basic and diluted earnings per Share	HK4 cents	HK40.7 cents	HK57.1 cents	HK148.2 cents

Assets and Liabilities

	As at 30 September	As at 31 March		
	2009	2009	2008	2007
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(audited)	(audited)	(audited)
Total assets	1,190,448	1,162,758	1,026,795	861,732
Total liabilities	(757,855)	(733,277)	(642,495)	(544,239)
Total equity	432,593	429,481	384,300	317,493

2. AUDITED FINANCIAL INFORMATION FOR THE YEAR ENDED 31 MARCH 2009

Set out below are the audited consolidated financial statements of the Group for the year ended 31 March 2009 together with the notes therein as extracted from the 2009 annual report of the Company. References to page number in this section are to the page numbers of such annual report of the Company.

Consolidated Balance Sheet
As at 31 March 2009

	Note	2009 HK$	2008 HK$
ASSETS			
Non-current assets			
Property, plant and equipment	5	814,192,685	533,450,283
Leasehold land and land use rights	6	24,675,999	24,649,173
Investment property	7	326,572	335,963
Interest in an associate	9	–	–
Other non-current asset	10	350,000	350,000
		839,545,256	558,785,419
Current assets			
Inventories	11	110,289,841	121,116,400
Trade and other receivables	12	158,748,797	266,445,791
Derivative financial assets	13	1,426,036	8,198,756
Cash at banks and in hand	14	52,747,732	72,248,233
		323,212,406	468,009,180
Total assets		1,162,757,662	1,026,794,599
EQUITY			
Capital and reserves			
Share capital	15	5,691,852	5,691,852
Reserves	16	423,788,738	378,608,273
Total equity		429,480,590	384,300,125

	Note	2009 HK$	2008 HK$
LIABILITIES			
Non-current liabilities			
Long-term liabilities	18	136,383,917	65,707,769
Deferred income tax liabilities	20	7,180,213	7,434,250
Deferred income	21	9,783,367	8,762,322
		153,347,497	81,904,341
Current liabilities			
Trade and other payables	17	312,719,436	301,064,174
Derivative financial liabilities	13	823,214	6,041,991
Current portion of long-term liabilities	18	90,126,883	68,341,950
Short-term bank loans and bank overdrafts	19	129,678,363	160,863,088
Current income tax liabilities		46,581,679	24,278,930
		579,929,575	560,590,133
Total liabilities		733,277,072	642,494,474
Total equity and liabilities		1,162,757,662	1,026,794,599
Net current liabilities		256,717,169	92,580,953
Total assets less current liabilities		582,828,087	466,204,466

Balance Sheet
As at 31 March 2009

	Note	2009 HK$	2008 HK$
ASSETS			
Non-current assets			
Subsidiaries	8	205,685,102	206,486,971
Current assets			
Other receivables	12	269,604	203,225
Cash at banks and in hand	14	94,196	167,675
		363,800	370,900
Total assets		206,048,902	206,857,871
EQUITY			
Capital and reserves			
Share capital	15	5,691,852	5,691,852
Reserves	16	199,491,614	200,738,763
Total equity		205,183,466	206,430,615
LIABILITIES			
Current liabilities			
Other payables	17	865,436	427,256
Total liabilities		865,436	427,256
Total equity and liabilities		206,048,902	206,857,871
Net current liabilities		501,636	56,356
Total assets less current liabilities		205,183,466	206,430,615

Consolidated Income Statement

For the year ended 31 March 2009

	Note	2009 HK$	2008 HK$
Revenue	22	1,111,631,949	1,134,938,220
Cost of sales		(945,058,617)	(943,239,773)
Gross profit		166,573,332	191,698,447
Other operating income	23	4,412,110	7,069,104
Distribution and marketing costs		(20,007,998)	(20,347,035)
Administrative expenses		(93,791,528)	(106,537,475)
Other operating expenses		(5,164,346)	(2,080,685)
Operating profit	24	52,021,570	69,802,356
Finance income	25	158,084	419,345
Finance costs	25	(16,288,705)	(16,647,609)
Profit before income tax		35,890,949	53,574,092
Income tax expense	26	(12,725,698)	(22,518,221)
Profit attributable to shareholders	27	23,165,251	31,055,871
Dividend	28	–	1,138,370
Earnings per share (basic and diluted)	29	40.7 cents	57.1 cents

Consolidated Statement of Changes in Equity
For the year ended 31 March 2009

	Note	**2009** *HK$*	**2008** *HK$*
Total equity at the beginning of the year		384,300,125	317,493,080
Currency translation differences recognised directly in equity	16	23,153,584	15,686,579
Profit for the year		23,165,251	31,055,871
Total recognised income for the year		46,318,835	46,742,450
2008 Final dividend	28	(1,138,370)	–
Issue of shares	15,16	–	20,064,595
		(1,138,370)	20,064,595
Total equity at the end of the year		429,480,590	384,300,125

Consolidated Cash Flow Statement
For the year ended 31 March 2009

	Note	2009 HK$	2008 HK$
Cash flows from operating activities			
Cash generated from operations	33(a)	251,580,884	201,908,747
Interest received		158,084	419,345
Interest paid on bank loans and overdrafts		(9,677,863)	(10,610,342)
Interest element of finance leases payments		(6,610,842)	(6,037,267)
Income tax paid		(3,415,552)	(20,444,955)
Income tax refunded		12,738,566	209,539
Net cash generated from operating activities		244,773,277	165,445,067
Cash flows from investing activities			
Purchase of property, plant and equipment		(240,594,711)	(145,144,550)
Proceeds from disposal of property, plant and equipment		913,155	1,504,340
Government grant received		1,131,222	–
Net cash used in investing activities		(238,550,334)	(143,640,210)
Cash flows from financing activities			
Proceeds from issuance of shares		–	20,064,595
New bank loans and overdrafts		151,018,100	116,138,667
Repayment of bank loans and overdrafts		(109,174,258)	(89,166,170)
Dividend paid		(1,138,370)	–
Capital element of finance lease payments		(65,062,413)	(56,019,018)
Net cash used in financing activities		(24,356,941)	(8,981,926)
Effect of foreign exchange rate changes		293,836	(6,746,752)
Net (decrease)/increase in cash and cash equivalents		(17,840,162)	6,076,179
Cash and cash equivalents at the beginning of the year		70,587,894	64,511,715
Cash and cash equivalents at the end of the year		52,747,732	70,587,894
Analysis of cash and cash equivalents:			
Cash at banks and in hand		52,747,732	72,248,233
Bank overdrafts		–	(1,660,339)
		52,747,732	70,587,894

Notes to the Financial Statements

For the year ended 31 March 2009

1 GENERAL INFORMATION

Same Time Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Canon's Court 22 Victoria Street, Hamilton HM 12, Bermuda. The address of its principal office is 17th Floor, Phase I, Kingsford Industrial Building, 26-32 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong.

The Company and its subsidiaries (together the "Group") are principally engaged in the manufacturing and selling of consumer electronic products and printed circuit boards.

These consolidated financial statements are presented in Hong Kong dollars, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 17 July 2009.

2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). They have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and liabilities, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

As at 31 March 2009, the Group had net current liabilities of HK$257 million. The directors of the Company have reviewed the Group's cash flow projection which is prepared based on the assumption that the Group's existing banking facilities will be continued or can be replaced by new facilities. Details of the Group's available banking facilities, the utilisation and the net book amount of assets pledged for such facilities as at 31 March 2009 are set out in note 34 below. Please also refer to note 18 for details of the breach of a bank loan covenant as at 31 March 2009 and the waiver of strict compliance of such covenant subsequently received from the relevant bank. Based on the latest progress of renewal of banking facilities up to the date of these financial statements, the waiver received from the relevant bank and the flexibility for the Group to raise additional secured bank loans by pledging its property, plant and equipment which are currently free from encumbrances, the directors believe that the Group will have sufficient financial resources to finance its operations and continue as a going concern in the foreseeable future. Consequently, the directors have prepared the consolidated financial statements on a going concern basis.

(i) Amendments and interpretation that are effective for the year ended 31 March 2009

The Group has adopted the following amendments and interpretation which are relevant to the Group's operations, and mandatory for the year ended 31 March 2009:

HKAS 39 and HKFRS 7 (Amendments)	Reclassification of financial assets
HK(IFRIC)-Int 11	HKFRS 2 – Group and treasury share transactions

The adoption of the above amendments and interpretation do not have any significant impacts on the Group's financial statements.

(ii) Standards, interpretations, amendments and improvements to existing standards which are not yet effective for the year ended 31 March 2009

The HKICPA has issued the following new or revised HKFRS, interpretations, amendments and improvements to existing standards which are not yet effective for the year ended 31 March 2009 and have not been early adopted by the Group:

New or revised standards, interpretations and amendments		**Effective for accounting periods beginning on or after**
HKAS 1 (Revised)	Presentation of financial statements	1 January 2009
HKAS 23 (Revised)	Borrowing costs	1 January 2009
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 32 and HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation	1 January 2009
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement on eligible hedged Items	1 July 2009
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment on first-time adoption	1 January 2009
HKFRS 2 (Amendment)	Share-based payment vesting conditions and cancellations	1 January 2009
HKFRS 3 (Revised)	Business combination	1 July 2009
HKFRS 8	Operating segments	1 January 2009
HK(IFRIC) – Int 13	Customer loyalty programmes	1 July 2008
HK(IFRIC) – Int 15	Agreements for the construction of real estate	1 January 2009
HK(IFRIC) – Int 16	Hedges at a net investment in a foreign operation	1 October 2008
HK(IFRIC) – Int 17	Distributions of non cash assets to owners	1 July 2009
HK(IFRIC) – Int 18	Transfers of assets from customers	1 July 2009

Improvements to existing standards issued in October 2008		**Effective for accounting periods beginning on or after**
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2009
HKAS 16 (Amendment)	Property, plant and equipment	1 January 2009
HKAS 19 (Amendment)	Employee benefits	1 January 2009
HKAS 20 (Amendment)	Accounting for government grants and disclosure of government assistance	1 January 2009
HKAS 23 (Amendment)	Borrowing costs	1 January 2009
HKAS 27 (Amendment)	Consolidated and separate financial statements	1 January 2009
HKAS 28 (Amendment)	Investments in associates	1 January 2009
HKAS 29 (Amendment)	Financial reporting in hyperinflationary economies	1 January 2009
HKAS 31 (Amendment)	Interest in joint ventures	1 January 2009
HKAS 36 (Amendment)	Impairment of assets	1 January 2009
HKAS 38 (Amendment)	Intangible assets	1 January 2009
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement	1 January 2009
HKAS 40 (Amendment)	Investment property	1 January 2009
HKAS 41 (Amendment)	Agriculture	1 January 2009
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 July 2009
Other minor amendments to HKFRS 7 – Financial instruments: Disclosures, HKAS 8 – Accounting policies, changes in accounting estimates and errors, HKAS 10 – Events after the balance sheet date, HKAS 18 – Revenue and HKAS 34 – Interim financial reporting		1 January 2009

Improvements to existing standards issued in May 2009		**Effective for accounting periods beginning on or after**
HKFRS 2 (Amendment)	Share-based payment	1 July 2009
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2010
HKFRS 8 (Amendment)	Operating segments	1 January 2010
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2010
HKAS 7 (Amendment)	Statement of cash flows	1 January 2010
HKAS 17 (Amendment)	Leases	1 January 2010
HKAS 18 (Amendment)	Revenue	1 January 2010
HKAS 36 (Amendment)	Impairment of assets	1 January 2010
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement	1 January 2010
HK(IFRIC) – Int 9 (Amendment)	Reassessment of embedded derivatives	1 July 2009
HK(IFRIC) – Int 16 (Amendment)	Hedges of a net investment in a foreign operation	1 July 2009

The directors are in the process of reviewing the impact to the Group's financial statements in respect of the adoption of these standards, amendments and interpretations to existing standards.

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March.

(i) Subsidiaries

Subsidiaries are companies over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered as an indicator of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

In the balance sheet of the Company, investments in subsidiaries are carried at cost less impairment losses (note 2(i)). The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(ii) Associate

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate is accounted for using the equity method of accounting and is initially recognised at cost. The Group's investment in an associate includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The share of post-acquisition profits or losses of associate attributable to the Group is recognised in the income statement, and the share of post-acquisition reserves is recognised in reserves. The cumulative share of post-acquisition reserves is included in the carrying amount of the investment. When the share of losses of the Group in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the interest in the associate held by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Translation of foreign currencies

(i) Functional and presentation currency

Transactions included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

– income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates prevailing on the dates of the transactions); and

– all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives at the following annual rates:

Buildings	2 – 4%
Plant and machinery	10 – 25%
Leasehold improvements	20 – 25%
Furniture, fixtures and equipment	20 – 25%
Motor vehicles	25 – 30%

Construction in progress represents plant under construction which is carried at cost less any accumulated impairment losses.

Construction in progress includes construction expenditure incurred and other direct costs attributable to the construction. On completion, the construction in progress is transferred to appropriate categories of property, plant and equipment. No depreciation is provided for construction in progress.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(i)).

The gain or loss arising from the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the income statement.

(f) Leasehold land and land use rights

Leasehold land and land use rights represent non-refundable rental payments for lease of land. These are stated at cost less accumulated amortisation and impairment losses. Amortisation is provided to write off the amount paid over the period of the lease on a straight-line basis.

(g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the property.

Subsequent expenditure is charged to the carrying amount of the property only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial year in which they are incurred.

Depreciation of investment property is calculated using the straight-line method to write off its cost less residual value over its estimated useful life.

The gain or loss arising from the disposal of an investment property is determined as the difference between the sale proceeds and the carrying amount of the investment property and is recognised in the income statement.

The investment property's residual value and useful live are reviewed, and adjusted if appropriate, at each balance sheet date.

(h) Leases

(i) Operating lease (as the lessee to operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases net of any incentives received from the lessor are expensed in the income statement on a straight-line basis over the period of the lease.

(ii) Finance lease

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance lease are capitalised at the lease's commencement at the lower of fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance lease balance outstanding. The corresponding rental obligations, net of finance charges, are including in borrowings. The interest element of the finance lease is recognised in the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under financial leases are depreciated over the shorter of the useful life of the assets and the lease term.

(i) Impairment of investments in subsidiaries, associates and non-financial assets

Assets that have an indefinite useful life or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Inventories

Inventories comprise finished goods, work in progress and raw materials and are stated at the lower of cost and net realisable value. Cost, calculated on the weighted average basis, comprises materials, direct labour and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(k) Derivative financial instruments

The Group has entered into certain foreign currency forward contracts which are not qualified for hedge accounting. These derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of these derivative instruments are recognised in the income statement within "other operating income" or "other operating expenses".

(l) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

(m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within short-term bank loans and bank overdrafts in current liabilities on the balance sheet.

(n) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(o) Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(p) Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(r) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns and discounts and after eliminating sales within the Group.

Revenue from the manufacturing and sales of products is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed.

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income from letting of investment properties is recognised on a straight-line basis over the lease term.

(s) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Bonus plans

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) Retirement benefit obligations

The Group operates a number of defined contribution retirement schemes in Hong Kong and Mainland China. The contributions of the Group to the defined contribution retirement schemes are recognised in the period to which they relate and are reduced by contributions forfeited by those employees who leave the schemes before vesting fully in the contributions. The contributions of the Group to the mandatory provident fund scheme ("MPF Scheme") and other defined contribution retirement schemes are recognised in the period to which they relate. The assets of these schemes are held separately from those of the Group in independently administered funds.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of these assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Capitalisation of borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as expenses in the year in which they are incurred.

(u) Dividend distribution

Dividend distribution to the shareholders of the Company is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the shareholders/directors of the Company.

(v) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching with it and that the grant will be received.

Grants relating to the construction of plant are included in non-current liabilities as deferred income and are credited to the income statement on a straight-line basis over the expected useful lives of the related assets.

3 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to various types of financial risk which includes currency risk, credit risk, liquidity risk and interest rate risk. The overall risk management programme of the Group focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects it may have on the financial performance of the Group.

(i) Currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to EURO and Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

At 31 March 2009, if Hong Kong dollars had weakened/strengthened by 20% (2008: 10%) against EURO with all other variables held constant, the post-tax profit for the year would have been approximately HK$1.5 million higher/lower (2008: HK$0.1 million), mainly as a result of foreign exchange gains/losses on translation of EURO-denominated trade and other receivables.

At 31 March 2009, if Hong Kong dollars had weakened/strengthened by 3.5% (2008: 5%) against Renminbi with all other variables held constant, there would be no material effect on profit for the year, but equity would have been approximately HK$26.2 million (2008: HK$28.2 million) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Renminbi-denominated operations.

(ii) Interest rate risk

As the Group has no significant interest-bearing assets (other than bank deposits) and interest income from bank deposits are not significant. As such, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from borrowings. The Group's borrowings are issued at variable rates which expose the Group to cash flow interest rate risk. The Group currently does not have a hedging policy on interest rate exposure. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arises.

If interest rates on borrowings had been 50 basis points higher/lower with all other variables held constant, the post-tax profit for the year would have been approximately HK$1.6 million (2008: HK$1.3 million) lower/higher mainly as a result of higher/lower interest expenses on floating rate borrowings.

(iii) Credit risk

The Group has some concentration of credit risk in respect of sales of products with 31% (2008: 36%) of total sales for the year being attributable to its top five customers. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. In addition, collection of receivables is monitored on an ongoing basis.

The credit risk for bank deposits and bank balances is minimal as such amounts are placed with banks with good credit ratings.

(iv) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and finance leases. The Group maintains liquidity by keeping sufficient committed credit lines available.

Management monitors rolling forecasts of the Group's liquidity reserve which comprises undrawn borrowing facility and cash and cash equivalents on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**
	HK$	*HK$*	*HK$*
At 31 March 2009			
Trade and other payables	312,719,436	–	–
Bank loans and overdrafts	175,171,589	40,511,618	51,519,309
Obligations under finance leases	58,925,280	43,361,683	13,209,444
Total	546,816,305	83,873,301	64,728,753
At 31 March 2008			
Trade and other payables	301,064,174	–	–
Bank loans and overdrafts	183,473,841	19,388,047	8,910,811
Obligations under finance leases	53,176,204	27,829,326	12,252,009
Total	537,714,219	47,217,373	21,162,820

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net borrowings divided by total capital. Net borrowings are calculated as total borrowings (including current and non-current bank borrowings and other long-term loans as shown in the balance sheet) less cash at banks and in hand. Total capital is calculated as "equity", as shown in the balance sheet.

The gearing ratios at 31 March 2009 and 2008 were as follows:

	2009	**2008**
	HK$	*HK$*
Total borrowings	356,189,163	294,912,807
Less: Cash at banks and in hand	(52,747,732)	(72,248,233)
Net borrowings	303,441,431	222,664,574
Total equity	429,480,590	384,300,125
Gearing ratio	71%	58%

(c) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair values of long-term borrowings are estimated using the expected future payments discounted at market interest rates.

The carrying amounts less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, including trade and other receivables, cash and cash equivalents, trade and other payables and current borrowings approximate their fair values.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of machinery

The Group has made substantial investments in machinery for the manufacturing of electronic products and printed circuit boards. Changes in technology on machinery or products to be manufactured may cause a change in the estimated useful lives or value of these assets.

The Group evaluates whether there is any event or change in circumstances which indicates that the carrying amounts of machinery may not be recoverable. Whenever such events or changes in circumstances occur, these assets are reviewed for impairment in accordance with the accounting policy set out in note 2(i). The management has not identified any indication of impairment of these assets.

(b) Income taxes

The Group is subject to income taxes in several jurisdictions. There are certain transactions and calculations for which the ultimate tax determination may be uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the financial period in which such determination is made.

Recognition of deferred income tax asset, which principally relates to tax losses of certain subsidiaries, depends on the management's expectation of future taxable profit that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

(c) Trade and other receivables

The Group's management determines the provision for impairment of trade and other receivables based on an assessment of the recoverability of the receivables. The assessment is based on the credit history of its customers and other debtors and the current market condition and requires the use of judgements and estimates. Management reassesses the provision at each balance sheet date.

5 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Buildings	Plant and machinery	Leasehold improvements, furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
At 1 April 2007						
Cost	36,674,765	566,821,832	109,633,934	9,173,881	10,485,984	732,790,396
Accumulated depreciation and impairment losses	(11,363,307)	(259,635,178)	(80,087,637)	(7,320,570)	–	(358,406,692)
Net book amount	25,311,458	307,186,654	29,546,297	1,853,311	10,485,984	374,383,704
Year ended 31 March 2008						
Opening net book amount	25,311,458	307,186,654	29,546,297	1,853,311	10,485,984	374,383,704
Exchange differences	–	19,699,854	1,244,578	83,509	1,091,515	22,119,456
Additions	–	108,283,557	6,374,718	3,163,119	79,469,786	197,291,180
Disposals	–	(1,313,848)	(6,273)	(23,570)	–	(1,343,691)
Depreciation	(905,564)	(50,352,699)	(6,170,588)	(1,571,515)	–	(59,000,366)
Closing net book amount	24,405,894	383,503,518	30,988,732	3,504,854	91,047,285	533,450,283
At 31 March 2008						
Cost	36,674,765	696,726,669	117,799,130	10,212,957	91,047,285	952,460,806
Accumulated depreciation and impairment losses	(12,268,871)	(313,223,151)	(86,810,398)	(6,708,103)	–	(419,010,523)
Net book amount	24,405,894	383,503,518	30,988,732	3,504,854	91,047,285	533,450,283
Year ended 31 March 2009						
Opening net book amount	24,405,894	383,503,518	30,988,732	3,504,854	91,047,285	533,450,283
Exchange differences	357,090	15,218,252	439,845	71,635	7,222,800	23,309,622
Additions	–	236,301,163	24,753,693	902,189	64,221,989	326,179,034
Transfer	157,740,156	–	–	–	(157,740,156)	–
Disposals	–	(580,063)	(101,694)	–	–	(681,757)
Depreciation	(1,168,466)	(54,827,755)	(10,260,519)	(1,807,757)	–	(68,064,497)
Closing net book amount	181,334,674	579,615,115	45,820,057	2,670,921	4,751,918	814,192,685
At 31 March 2009						
Cost	194,772,609	948,919,431	143,240,734	10,599,109	4,751,918	1,302,283,801
Accumulated depreciation and impairment losses	(13,437,935)	(369,304,316)	(97,420,677)	(7,928,188)	–	(488,091,116)
Net book amount	181,334,674	579,615,115	45,820,057	2,670,921	4,751,918	814,192,685

(a) At 31 March 2009, the net book amount of properties (including leasehold land and building) pledged as securities for the bank loans of the Group amounting to HK$10,725,496 (2008: HK$10,893,750).

(b) At 31 March 2009, the net book amount of property, plant and equipment held by the Group under finance leases amounting to HK$197,181,423 (2008: HK$173,336,058).

(c) The buildings with net book amounts of HK$3,194,812 (2008: HK$3,347,335) and HK$178,139,862 (2008: HK$21,058,559) are held under leases of 10 to 50 years in Hong Kong and Mainland China respectively.

6 LEASEHOLD LAND AND LAND USE RIGHTS

	Group	
	2009	**2008**
	HK$	*HK$*
At the beginning of the year	24,649,173	24,421,371
Exchange differences	429,997	995,389
Amortisation	(403,171)	(767,587)
At the end of the year	24,675,999	24,649,173

	2009	**2008**
	HK$	*HK$*
Leasehold land situated in Hong Kong		
– leases of 10 to 50 years	11,132,173	11,244,929
Land use rights situated in Mainland China		
– leases of 10 to 50 years	13,543,826	13,404,244
	24,675,999	24,649,173

7 INVESTMENT PROPERTY (BUILDING)

	Group	
	2009	**2008**
	HK$	*HK$*
At the beginning of the year	335,963	345,563
Depreciation	(9,391)	(9,600)
At the end of the year	326,572	335,963

At 31 March 2009, the fair value of the investment property (including leasehold land and building) with carrying amount of HK$1,394,988 (2008: HK$1,418,787) based on the directors' estimation was approximately HK$3,300,000 (2008: HK$3,900,000).

The property is held under a lease of 10 to 50 years in Hong Kong.

8 SUBSIDIARIES

(a) Interests in subsidiaries

	Company 2009 HK$	Company 2008 HK$
Unlisted shares, at cost	57,165,073	57,165,073
Amounts due from subsidiaries *(note b)*	170,655,723	171,457,592
Less: Provision for impairment losses	(22,135,694)	(22,135,694)
	148,520,029	149,321,898
	205,685,102	206,486,971

The following is a list of the subsidiaries at 31 March 2009:

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital/ registered capital	Interest held 2009 %	Interest held 2008 %
Shares held directly:					
Same Time International (B.V.I.) Limited	British Virgin Islands	Investment holding	50,000 ordinary shares of US$1 each	100	100
Shares held indirectly:					
Dongguan Red Broad Limited[1,2]	Mainland China	Manufacture and sale of printed circuit boards	Registered capital of HK$250,000,000	100	100
Dongguan Same Time Electronics Limited[1,2]	Mainland China	Manufacture and sale of electronic products	Registered capital of HK$35,000,000	100	100
Dongguan Same Time Plastic Products Limited[1,2]	Mainland China	Manufacture of plastic products	Registered capital of HK$8,000,000	100	100
Dyford Industries Limited	Hong Kong	Property holding	4 ordinary shares of HK$1 each and 200,000 non-voting deferred shares of HK$1 each	100	100
Red Board Flexible Printed Circuit Boards Limited	Hong Kong	Dormant	1,000 ordinary shares of HK$10 each	100	100
Red Board (Jiangxi) Limited[1,2]	Mainland China	Manufacture and sale of printed circuit boards	Registered capital of HK$373,969,000	100	100

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital/ registered capital	Interest held 2009 %	Interest held 2008 %
Shares held indirectly: (continued)					
Red Board Limited	Hong Kong	Design and sale of printed circuit boards	4 ordinary shares of HK$1 each and 5,000,000 non-voting deferred shares of HK$1 each	100	100
Red Board Macao Commercial Offshore Limited	Macao	Sale of printed circuit boards	Registered capital of MOP$100,000	100	100
Same Time Development Limited	British Virgin Islands	Dormant	1 ordinary share of US$1	100	100
Same Time Electronics (B.V.I.) Limited	British Virgin Islands/ Mainland China	Property holding	1 ordinary share of US$1	100	100
Same Time Electronics Limited	Hong Kong	Design and sale of electronic products	4 ordinary shares of HK$1,000 each and 7,000 non-voting deferred shares of HK$1,000 each	100	100
Same Time Management Limited	British Virgin Islands	Dormant	1 ordinary share of US$1	100	100

[1] These companies have no English names and the above names are translation of Chinese names

[2] Wholly owned foreign enterprise

(b) The amounts due from subsidiaries are unsecured, interest free and are regarded as equity in nature by the Company. Accordingly, the amounts are classified as equity instruments, which are carried at the amounts paid and not subsequently remeasured.

9 INTEREST IN AN ASSOCIATE

The Group has a 50% interest in Samebao International Limited, a company incorporated in the British Virgin Islands, which did not trade during the year.

A full provision had been provided against the investment cost and the amount receivable from the associated company since the year ended 31 March 2000 because management did not foresee the commencement of its operation in the near future.

10 OTHER NON-CURRENT ASSET

This represents an unlisted club debenture which is used by management of the Group.

11 INVENTORIES

	Group	
	2009	**2008**
	HK$	*HK$*
Raw materials	42,461,656	48,078,332
Work in progress	30,941,763	27,994,130
Finished goods	36,886,422	45,043,938
	110,289,841	121,116,400

The cost of inventories recognised as expense and included in "cost of sales" amounting to HK$945,058,617 (2008: HK$943,239,773).

The Group recognised a loss of HK$542,611 (2008: HK$373,861), in respect of the obsolete inventories for the year ended 31 March 2009. These amounts have been included in "cost of sales" in the income statement (note 24).

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009	**2008**	**2009**	**2008**
	HK$	*HK$*	*HK$*	*HK$*
Trade receivables *(note b)*	105,821,602	181,355,933	–	–
Deposits, prepayments and other receivables *(note c)*	52,927,195	85,089,858	269,604	203,225
	158,748,797	266,445,791	269,604	203,225

(a) The carrying amounts of the trade and other receivables, which approximate their fair values, are denominated in the following currencies:

	Group	
	2009	**2008**
	HK$	*HK$*
United States dollar	93,450,196	138,316,582
Renminbi	39,403,707	65,864,124
Hong Kong dollar	17,787,261	53,665,341
EURO	8,081,068	8,599,686
Others	26,565	58
	158,748,797	266,445,791

(b) The ageing analysis of trade receivables is as follows:

	Group	
	2009	**2008**
	HK$	*HK$*
0 – 2 months	66,062,395	132,461,715
3 – 4 months	24,422,753	41,065,786
5 – 6 months	7,653,159	6,715,571
7 – 8 months	4,439,496	640,791
Over 8 months	3,243,799	472,070
	105,821,602	181,355,933

Sales are made to customers with credit terms of 30 to 120 days.

At 31 March 2009, trade receivables of HK$49,413,994 (2008: HK$78,292,385) were past due but not impaired. These trade receivables relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2009	**2008**
	HK$	*HK$*
0 – 2 months	32,943,251	54,930,310
3 – 4 months	7,591,536	20,397,499
5 – 6 months	1,649,902	2,405,109
7 – 8 months	4,827,893	110,877
Over 8 months	2,401,412	448,590
	49,413,994	78,292,385

Movements in the provision for impairment of trade receivables are as follows:

	2009	**2008**
	HK$	*HK$*
At the beginning of the year	–	6,173,728
Uncollectible debts written off against provision	–	(3,060,511)
Write back of provision	–	(3,113,217)
At the end of the year	–	–

No provision for impairment of trade receivables was made for the year (2008 : Nil). The release of provision for impaired trade receivables had been credited to the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

During the year, bad debts of HK$4,251,647 (2008 : HK$1,594,612) have been directly written off. The amount has been charged to other operating expenses in the income statement.

(c) At 31 March 2009, included in deposits, prepayments and other receivables was an amount of HK$19,368,302 (2008: HK$14,827,862) which represents refundable value-added tax.

Other receivables and deposits do not contain past due or impaired assets.

(d) The Group and Company do not hold any collateral as security.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

13 DERIVATIVE FINANCIAL ASSETS/LIABILITIES

The derivative financial instruments represent forward foreign exchange contracts held for trading, are classified as current assets or liabilities and are expected to settle at various dates during the next 12 months.

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2009 were approximately HK$35.4 million, (2008: HK$101.1 million) in aggregate.

14 CASH AT BANKS AND IN HAND

The cash at banks and in hand are denominated in the following currencies:

	Group		**Company**	
	2009	**2008**	**2009**	**2008**
	HK$	*HK$*	*HK$*	*HK$*
United States dollar	21,309,621	18,083,920	–	–
Renminbi	21,177,774	22,173,424	–	–
Hong Kong dollar	10,227,755	31,516,136	94,196	167,675
Others	32,582	474,753	–	–
	52,747,732	72,248,233	94,196	167,675

At 31 March 2009, included in the cash at banks and in hand balances of the Group was an aggregate amount of approximately HK$21.2 million (2008: HK$31.6 million) which was held in the Mainland China and subject to foreign exchange controls in the Mainland China.

The carrying amount represents the maximum exposure to credit risk.

15 SHARE CAPITAL

	Number of shares	**Amount** *HK$*
Authorised:		
Ordinary shares of HK$0.10 each		
At 1 April 2007, 31 March 2008 and 31 March 2009	700,000,000	70,000,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At 1 April 2007	47,438,520	4,743,852
Issue of shares *(Note)*	9,480,000	948,000
At 31 March 2008 and 31 March 2009	56,918,520	5,691,852

Note:

On 18 June 2007, the Company entered into a placing agreement with third parties for a private placement of a total of 9,480,000 new shares of the Company at a price of HK$2.18 per share (the “Share Placing”). The Share Placing was completed on 6 July 2007. The Share Placing raised net proceeds of approximately HK$20.1 million (net of expenses of HK$0.6 million incurred).

16 RESERVES

	Share premium HK$	Contributed surplus HK$	Legal reserve HK$	Exchange reserve HK$	Retained profits/ (accumulated losses) HK$	Total HK$
Group						
At 1 April 2008	151,921,671	15,940,952	–	29,193,602	181,552,048	378,608,273
Currency translation differences	–	–	–	23,153,584	–	23,153,584
Transfer to legal reserve	–	–	48,544	–	(48,544)	–
Profit for the year	–	–	–	–	23,165,251	23,165,251
2008 Final dividend	–	(1,138,370)	–	–	–	(1,138,370)
At 31 March 2009	151,921,671	14,802,582	48,544	52,347,186	204,668,755	423,788,738
At 1 April 2007	132,805,076	15,940,952	–	13,507,023	150,496,177	312,749,228
Currency translation differences	–	–	–	15,686,579	–	15,686,579
Profit for the year	–	–	–	–	31,055,871	31,055,871
Issue of shares	19,116,595	–	–	–	–	19,116,595
At 31 March 2008	151,921,671	15,940,952	–	29,193,602	181,552,048	378,608,273
Company						
At 1 April 2008	151,921,671	53,056,017	–	–	(4,238,925)	200,738,763
Loss for the year	–	–	–	–	(108,779)	(108,779)
2008 Final dividend	–	(1,138,370)	–	–	–	(1,138,370)
At 31 March 2009	151,921,671	51,917,647	–	–	(4,347,704)	199,491,614
At 1 April 2007	132,805,076	53,056,017	–	–	(4,267,370)	181,593,723
Profit for the year	–	–	–	–	28,445	28,445
Issue of shares	19,116,595	–	–	–	–	19,116,595
At 31 March 2008	151,921,671	53,056,017	–	–	(4,238,925)	200,738,763

(a) The contributed surplus of the Company represents:

(i) the difference in value at 4 March 1992 between the nominal value of the Company's shares issued in exchange for all the issued ordinary shares of Same Time International (B.V.I.) Limited and the value of net assets of the underlying subsidiaries acquired on that date amounting to HK$37,115,065; and

(ii) the amount of HK$15,940,952 credited to the contributed surplus as a result of the capital reduction and consolidation of shares of the Company on 16 September 2003.

(b) The contributed surplus of the Company is distributable under the Companies Act 1981 of Bermuda. However, the Company shall not declare or pay a dividend, or make a distribution out of contributed surplus, if:

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

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

(c) The legal reserve represents the amount set aside from the retained profits by a subsidiary incorporated in Macao in accordance with the Macao Commercial Code and is not distributable as dividend.

The Macao Commercial Code #377 requires that a company should set aside a minimum of 25% of the company's profit after tax to the legal reserve until the balance of the reserve reaches a level equivalent to 50% of the company's capital.

17 TRADE AND OTHER PAYABLES

	Group		**Company**	
	2009	**2008**	**2009**	**2008**
	HK$	*HK$*	*HK$*	*HK$*
Trade payables	184,683,838	213,021,053	–	–
Accruals and other payables	128,035,598	88,043,121	865,436	427,256
	312,719,436	301,064,174	865,436	427,256

The carrying amounts of the trade and other payables, which approximate their fair value, are denominated in the following currencies:

	Group	
	2009	**2008**
	HK$	*HK$*
Renminbi	123,524,688	121,201,014
Hong Kong dollar	112,762,369	77,593,114
United States dollar	73,934,155	98,067,601
Japanese Yen	2,061,174	–
EURO	376,892	4,202,445
Others	60,158	–
	312,719,436	301,064,174

The ageing analysis of trade payables is as follows:

	2009	**2008**
	HK$	*HK$*
0 – 2 months	87,193,220	123,843,021
3 – 4 months	61,110,740	77,493,737
5 – 6 months	32,354,327	11,560,981
7 – 8 months	3,667,526	109,989
Over 8 months	358,025	13,325
	184,683,838	213,021,053

18 LONG-TERM LIABILITIES

	Group 2009	Group 2008
	HK$	*HK$*
Bank loans		
– secured	3,882,614	5,015,140
– unsecured	114,109,119	41,073,438
	117,991,733	46,088,578
Obligations under finance leases	108,519,067	87,961,141
	226,510,800	134,049,719
Current portion of long-term liabilities	(90,126,883)	(68,341,950)
	136,383,917	65,707,769

At 31 March 2009, the bank loans of the Group were repayable as follows:

	2009	2008
	HK$	*HK$*
Within one year	35,906,697	18,782,636
In the second year	35,204,475	18,581,402
In the third to fifth years	46,880,561	8,724,540
	117,991,733	46,088,578

At 31 March 2009, the finance lease liabilities of the Group were repayable as follows:

	2009	2008
	HK$	*HK$*
Within one year	58,925,280	53,176,204
In the second year	43,361,683	27,829,326
In the third to fifth years	13,209,444	12,252,009
	115,496,407	93,257,539
Future finance charges	(6,977,340)	(5,296,398)
Present value of finance lease liabilities	108,519,067	87,961,141

The present value of finance lease liabilities is as follows:

	2009	2008
	HK$	*HK$*
Within one year	54,220,186	49,559,314
In the second year	41,403,270	26,408,768
In the third to fifth years	12,895,611	11,993,059
	108,519,067	87,961,141

The exposure of the Group's bank loans and finance lease liabilities to interest-rate changes and the contractual repricing dates is minimal given the interest rates of the Group's bank loans and finance lease liabilities are renewable for the periods ranging from 1 month to 3 months.

The effective interest rates of the bank loans and the obligations under finance leases of the Group at 31 March 2009 were ranging from 2.40% to 7.83% per annum and ranging from 1.30% to 9.31% per annum respectively (2008: ranging from 3.15% to 4.75% per annum and ranging from 4.50% to 7.59% per annum respectively). The carrying amounts of the balances approximate their fair values.

One of the banking facilities granted to the Group has stipulated that the current ratio of the Group should not be less than 0.85. At 31 March 2009, the Group breached such covenant, and accordingly, the non-current portion of such bank loan amounting to HK$6,000,000 under this banking facility was reclassified as a current liability in the balance sheet. Subsequent to 31 March 2009, the Group received confirmation from the relevant bank which waived the strict compliance of such covenant.

19 SHORT-TERM BANK LOANS AND BANK OVERDRAFTS

	Group	
	2009	**2008**
	HK$	*HK$*
Short-term bank loans, unsecured	129,678,363	159,202,749
Bank overdrafts, unsecured	–	1,660,339
	129,678,363	160,863,088

The effective interest rates of the short-term bank loans and bank overdrafts of the Group at 31 March 2009 were 4.61% (2008: 5.03%) per annum. The carrying amounts of the balances approximate their fair values.

At 31 March 2009, included in the short-term bank loans and bank overdrafts were balances amounting to HK$66,326,531 (2008: HK$5,476,451) which were denominated in Renminbi. The remaining balances were denominated in Hong Kong dollar.

20 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxed levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The movements in the net deferred income tax liabilities are as follows:

	Group	
	2009	**2008**
	HK$	*HK$*
At the beginning of the year	7,434,250	15,748,998
Effect of change in tax rate	(424,814)	–
Charged/(credited) to income statement *(note 26)*	170,777	(8,314,748)
At the end of the year	7,180,213	7,434,250

A substantial portion of the deferred income tax liabilities will be settled after more than 12 months from the balance sheet date.

The movements in deferred income tax liabilities and assets (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred income tax liabilities

	Accelerated tax depreciation	
	2009	**2008**
	HK$	*HK$*
At the beginning of the year	8,520,803	16,736,528
Effect of change in tax rate	(486,903)	–
Charged/(credited) to income statement	4,216,423	(8,215,725)
At the end of the year	12,250,323	8,520,803

Deferred income tax assets

	Tax losses	
	2009	**2008**
	HK$	*HK$*
At the beginning of the year	(1,086,553)	(987,530)
Effect of change in tax rate	62,089	–
Credited to income statement	(4,045,646)	(99,023)
At the end of the year	(5,070,110)	(1,086,553)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of approximately HK$84.7 million (2008: HK$37.6 million) to carry forward against future taxable income. Included in unrecognised tax losses of approximately HK$27.9 million (2008: HK$0.5 million) that will expire from 2011 to 2014. Other tax losses have no expiry date.

21 DEFERRED INCOME

The deferred income represents government grants received for the construction of a plant in Jiangxi in the Mainland China, which is amortised over the expected useful live of the plant upon the commencement of the operation.

22 REVENUE AND SEGMENT INFORMATION

Revenue represents invoiced manufacturing and selling of electronics products and printed circuit boards.

Primary reporting format – business segments

The Group is organised on a worldwide basis into two main business segments:

- Electronic products – manufacturing and selling of consumer electronic products
- Printed circuit boards – manufacturing and selling of printed circuit boards

Unallocated costs represent corporate general and administrative expenses. Segment assets consist primarily of property, plant and equipment, leasehold land and land use rights, receivables and operating cash and exclude leasehold land and investment property held at corporate office. Segment liabilities comprise operating liabilities and exclude bank borrowings, obligations under finance leases, current income tax liabilities and deferred income tax liabilities. Capital expenditure comprises additions to property, plant and equipment, leasehold land and land use rights and investment property.

An analysis of the revenue and results for the year by business segment is as follows:

	2009			
	Electronic products *HK$*	**Printed circuit boards** *HK$*	**Inter-segment elimination** *HK$*	**Group** *HK$*
Segment revenue				
Revenue from external customers	91,262,087	1,020,369,862	–	1,111,631,949
Inter-segment revenue	5,206,672	3,939,210	(9,145,882)	–
Total revenue	96,468,759	1,024,309,072	(9,145,882)	1,111,631,949
Segment results	(1,752,544)	62,558,604	–	60,806,060
Unallocated income				1,613,315
Unallocated costs				(10,397,805)
Operating profit				52,021,570
Finance income				158,084
Finance costs				(16,288,705)
Profit before income tax				35,890,949
Income tax expense				(12,725,698)
Profit attributable to shareholders				23,165,251
Segment assets	56,623,325	1,089,579,138		1,146,202,463
Unallocated assets				16,555,199
Total assets				1,162,757,662
Segment liabilities	(14,871,947)	(319,454,555)		(334,326,502)
Unallocated liabilities				(398,950,570)
Total liabilities				(733,277,072)
Capital expenditure	6,404,935	319,774,099		326,179,034
Depreciation and amortisation	4,982,847	63,494,212		68,477,059
Provision for slow moving and obsolete inventories	–	542,611		542,611
Bad debts written off	61,500	4,190,147		4,251,647

	2008			
	Electronic products	Printed circuit boards	Inter-segment elimination	Group
	HK$	*HK$*	*HK$*	*HK$*
Segment revenue				
Revenue from external customers	128,965,141	1,005,973,079	–	1,134,938,220
Inter-segment revenue	6,856,680	3,793,716	(10,650,396)	–
Total revenue	135,821,821	1,009,766,795	(10,650,396)	1,134,938,220
Segment results	(5,321,185)	82,974,111	–	77,652,926
Unallocated income				1,642,156
Unallocated costs				(9,492,726)
Operating profit				69,802,356
Finance income				419,345
Finance costs				(16,647,609)
Profit before income tax				53,574,092
Income tax expense				(22,518,221)
Profit attributable to shareholders				31,055,871
Segment assets	69,879,094	933,299,795		1,003,178,889
Unallocated assets				23,615,710
Total assets				1,026,794,599
Segment liabilities	(18,458,678)	(288,625,395)		(307,084,073)
Unallocated liabilities				(335,410,401)
Total liabilities				(642,494,474)
Capital expenditure	8,776,743	188,514,437		197,291,180
Depreciation and amortisation	6,236,384	53,541,169		59,777,553
Provision for slow moving and obsolete inventories	373,861	–		373,861
Bad debts written off	–	1,594,612		1,594,612
Write back of provision for doubtful debts	–	3,113,217		3,113,217

Secondary reporting format – geographical segments

The Group's operations are principally located in Hong Kong and Mainland China.

The following is an analysis of the Group's revenue, segment results, total assets and capital expenditure by geographical segments. Sales segments are based on the country in which the customer is located. Total assets and capital expenditure segments are based on where the assets are located.

	2009			
	Revenue	**Segment results**	**Total assets**	**Capital expenditure**
	HK$	*HK$*	*HK$*	*HK$*
Hong Kong and Mainland China	745,385,100	41,309,806	1,108,310,744	326,179,034
South East Asia	176,428,788	10,808,964	27,315,283	–
Europe	146,130,295	7,951,384	23,338,457	–
America	43,687,766	735,906	3,793,178	–
	1,111,631,949	60,806,060	1,162,757,662	326,179,034
Unallocated income		1,613,315		
Unallocated costs		(10,397,805)		
Operating profit		52,021,570		

	2008			
	Revenue	**Segment results**	**Total assets**	**Capital expenditure**
	HK$	*HK$*	*HK$*	*HK$*
Hong Kong and Mainland China	625,118,920	45,426,790	938,242,778	197,291,180
South East Asia	274,239,071	22,069,344	45,412,355	–
Europe	138,738,634	8,882,063	25,100,447	–
America	96,841,595	1,274,729	18,039,019	–
	1,134,938,220	77,652,926	1,026,794,599	197,291,180
Unallocated income		1,642,156		
Unallocated costs		(9,492,726)		
Operating profit		69,802,356		

23 OTHER OPERATING INCOME

	2009	**2008**
	HK$	*HK$*
Amortisation of deferred income on government grants	419,105	–
Gain on disposal of property, plant and equipment	231,398	160,649
Net gain on derivatives	1,164,750	1,474,156
Rental income	168,000	168,000
Sale of manufacturing by-products	1,834,770	1,717,098
Sundries	594,087	435,984
Write back of provision for doubtful debts	–	3,113,217
	4,412,110	7,069,104

24 OPERATING PROFIT

	2009	2008
	HK$	*HK$*
Operating profit is stated after charging the following:		
Auditor's remuneration		
– Provision for current year	1,060,000	1,100,000
– Under provision in prior years	80,000	101,300
Amortisation of leasehold land and land use rights	403,171	767,587
Cost of inventories sold	945,058,617	943,239,773
Depreciation		
– Owned property, plant and equipment	55,472,448	38,886,173
– Leased property, plant and equipment	12,592,049	20,114,193
– Investment property	9,391	9,600
Bad debts written off	4,251,647	1,594,612
Net exchange loss	1,975,390	4,476,237
Operating lease rental in respect of properties	4,828,454	3,890,689
Outgoings in respect of investment property	21,144	26,402
Provision for slow moving and obsolete inventories	542,611	373,861

25 FINANCE INCOME AND COSTS

	2009	2008
	HK$	*HK$*
Finance income		
Interest income	158,084	419,345
Finance costs		
Interest on bank loans and overdrafts wholly repayable within five years	9,677,863	10,610,342
Interest element of finance leases	6,610,842	6,037,267
	16,288,705	16,647,609
Net finance costs	16,130,621	16,228,264

26 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2009	**2008**
	HK$	*HK$*
Current income tax		
– Hong Kong profits tax		
Provision for current year	10,477,381	13,086,985
(Over)/under provision for prior years	(1,167,723)	17,745,984
	9,309,658	30,832,969
– Overseas taxation		
Provision for current year	3,670,077	–
Deferred income tax *(note 20)*		
– Current year	247,036	29,410
– Write back for prior years	(76,259)	(8,344,158)
– Attributable to a change in tax rate	(424,814)	–
	(254,037)	(8,314,748)
	12,725,698	22,518,221

The tax on profit before income tax of the Group differs from the theoretical amount that would arise using the tax rate of Hong Kong, where the Group performs its principal activities, as follows:

	2009	**2008**
	HK$	*HK$*
Profit before income tax	35,890,949	53,574,092
Calculated at a tax rate of 16.5% (2008: 17.5%)	5,922,005	9,375,466
Income not subject to tax	(5,316,418)	(5,011,884)
Expenses not deductible for tax purpose	7,322,311	6,008,090
Temporary differences not recognised	(2,571,767)	–
Write back of deferred income tax for prior years	(76,259)	(8,344,158)
Utilisation of unrecognised tax losses	–	(4,967)
Tax losses not recognised	9,434,526	2,887,504
(Over)/under provision for prior years	(1,167,723)	17,745,984
Effect on deferred income tax liabilities resulting from an decrease in tax rate	(424,814)	–
Others	(396,163)	(137,814)
Income tax expense	12,725,698	22,518,221

The Hong Kong Inland Revenue Department (the "IRD") has questioned the basis of tax reporting for certain transactions adopted by certain subsidiaries of the Group in prior years. The matter has not been resolved with the IRD as at the date of approval of these financial statements. Additional provision for current income tax of approximately HK$20.5 million and write back of deferred income tax liabilities of approximately HK$8.3 million have been booked in respect of this matter in the Group's consolidated financial statements for the year ended 31 March 2008. These are based on management's estimates and may be different from the final outcome of the matter.

27 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Profit attributable to shareholders includes a loss of HK$108,779 (2008: profit of HK$28,445) which is dealt with in the financial statements of the Company.

28 DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 March 2009.

The 2008 final dividend of HK$0.02 per share was paid to the shareholders of the Company during the year.

29 EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK$23,165,251 (2008: HK$31,055,871) and the weighted average number of ordinary shares in issue during the year of 56,918,520 shares (2008: 54,354,258 shares).

As there are no potential ordinary shares in issue, there is no diluted earnings per share for both years.

30 STAFF COSTS (EXCLUDING DIRECTORS' EMOLUMENTS)

	2009	**2008**
	HK$	*HK$*
Wages, salaries, bonus and other allowances	148,598,620	137,134,546
Pension costs – defined contribution plans	4,801,357	3,590,318
	153,399,977	140,724,864

31 DEFINED CONTRIBUTION PENSION SCHEMES

For the MPF Scheme, the contributions of the Group are at 5% of the employees' relevant income as defined in the Mandatory Provident Fund Schemes Ordinance up to a maximum of HK$1,000 per employee per month. The employees contribute a corresponding amount to the MPF Scheme if their relevant income is more than HK$5,000 per month. The MPF contributions are fully and immediately vested in the employees as accrued benefits once they are paid.

The Group also operates a defined contribution pension scheme, which is an exempted scheme ("the Exempted Scheme") under the Mandatory Provident Fund Schemes Ordinance and provides retirement benefits to its employees in Hong Kong who joined the Group prior to 1 December 2000. These employees can elect to join the MPF Scheme or to remain as a member of the Exempted Scheme. The assets of the Exempted Scheme are held under provident funds managed by an independent administrator. Under the Exempted Scheme, both the employers and employees are required to contribute 5% of the employees' basic salaries on a monthly basis. Where there are employees who leave the Exempted Scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions. There were no forfeited contributions utilised by the Group to reduce existing level of contributions for the years ended 31 March 2009 and 2008.

The Group also contributes to retirement plans for its employees in Mainland China at a percentage of their salaries in compliance with the requirements of the respective municipal governments in Mainland China. The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group in Mainland China.

32 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

The remuneration of each director is set out below:

Name of director	Fees	Salaries	Other benefits#	Employer's contributions to pension schemes	Total
	HK$	*HK$*	*HK$*	*HK$*	*HK$*
2009					
Mr YIP Sum Yin	–	2,160,000	1,021,314	12,000	3,193,314
Madam YU Hung Min	–	1,847,156	446,848	12,000	2,306,004
Madam YU Pei Yi	–	407,156	–	–	407,156
Mr LAI Wing Leung, Peter	100,000	–	–	–	100,000
Mr LAM Kwok Cheong	100,000	–	–	–	100,000
Madam LEE Mei Ling	100,000	–	–	–	100,000
Total	300,000	4,414,312	1,468,162	24,000	6,206,474
2008					
Mr YIP Sum Yin	–	2,610,000	782,689	12,000	3,404,689
Madam YU Hung Min	–	2,178,032	283,751	12,000	2,473,783
Madam YU Pei Yi	–	405,831	–	–	405,831
Mr LAI Wing Leung, Peter	100,000	–	–	–	100,000
Mr LAM Kwok Cheong	100,000	–	–	–	100,000
Madam LEE Mei Ling	100,000	–	–	–	100,000
Total	300,000	5,193,863	1,066,440	24,000	6,584,303

Other benefits include insurance premium and motor vehicle expenses.

The emoluments of the five highest paid individuals in the Group for the year are as follows:

	2009	2008
	HK$	*HK$*
Basic salaries, housing allowances, other allowances and benefits in kind	7,584,535	8,149,472

The emoluments fell within the following bands:

	Number of individuals	
	2009	**2008**
	HK$	*HK$*
Emolument bands		
HK$500,001 – HK$1,000,000	3	3
HK$2,000,001 – HK$2,500,000	1	1
HK$3,000,001 – HK$3,500,000	1	1

The five highest paid individuals include two (2008: two) directors whose emoluments for acting as directors amounting to HK$5,499,318 (2008: HK$5,878,472) are included in directors' emoluments.

During the year, the Group did not pay to the directors or the five highest paid individuals any inducement to join or upon joining the Group, or a compensation for loss of office (2008: Nil). No directors waived or agreed to waive any emoluments during the year (2008: Nil).

33 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of profit before income tax to cash generated from operations:

	2009	**2008**
	HK$	*HK$*
Profit before income tax	35,890,949	53,574,092
Amortisation of leasehold land and land use rights	403,171	767,587
Amortisation of deferred income on government grants	(419,105)	–
Bad debts written off	4,251,647	1,594,612
Depreciation		
– Investment property	9,391	9,600
– Property, plant and equipment	68,064,497	59,000,366
Gain on disposal of property, plant and equipment	(231,398)	(160,649)
Interest income	(158,084)	(419,345)
Interest expenses	16,288,705	16,647,609
Write back of provision for doubtful debts	–	(3,113,217)
Operating profit before working capital changes	124,099,773	127,900,655
Decrease/(increase) in inventories	10,826,559	(18,836,951)
Decrease in trade and other receivables	103,445,347	30,398,128
Decrease/(increase) in derivative financial assets	6,772,720	(8,198,756)
Increase in trade and other payables	11,655,262	64,603,680
(Decrease)/increase in derivative financial liabilities	(5,218,777)	6,041,991
Cash generated from operations	251,580,884	201,908,747

(b) Major non-cash transactions

For the year ended 31 March 2009, the Group had entered into finance lease arrangements amounting to HK$85,584,323 (2008: HK$52,146,630) for the purchase of property, plant and machinery.

34 BANKING FACILITIES

At 31 March 2009, the total facilities granted to the Group amounting to HK$415,708,286 (2008: HK$325,328,614) of which HK$247,670,096 (2008: HK$232,284,299) were utilised.

Among the total facilities, banking facilities amounting to HK$3,882,614 (2008: HK$5,015,140) are secured by a legal charge on the Group's leasehold land and buildings with a net book amount of HK$10,725,496 (2008: HK$10,893,750).

35 CONTINGENT LIABILITIES

The Company has contingent liabilities relating to corporate guarantees given in respect of banking facilities which include trust receipt loans, bills payable and bank loans extended to certain subsidiaries amounting to HK$415,708,286 (2008: HK$370,711,477).

36 COMMITMENTS

(a) Capital commitments

	Group 2009 HK$	Group 2008 HK$
Contracted but not provided for		
Plant, machinery and leasehold improvements	112,233,767	155,997,438
Investments in subsidiaries	8,817,796	202,910,900
	121,051,563	358,908,338

The Company had no capital commitments at the balance sheet date (2008: Nil).

(b) Commitments under operating leases

(i) The future aggregate minimum lease payments under non-cancellable operating leases in respect of properties are as follows:

	Group 2009 HK$	Group 2008 HK$
Not later than one year	3,511,595	3,968,766
Later than one year and not later than five years	7,510,687	6,649,132
Later than five years	–	3,465,935
	11,022,282	14,083,833

(ii) The future aggregate minimum lease rental receivables under non-cancellable operating leases in respect of properties are as follows:

	Group 2009 HK$	Group 2008 HK$
Not later than one year	34,533	168,000
Later than one year and not later than five years	–	34,533
	34,533	202,533

(iii) The Company had no significant operating lease commitments at the balance sheet date (2008: Nil).

37 RELATED PARTY TRANSACTIONS

Key management compensation

	2009	**2008**
	HK$	*HK$*
Salaries and other short-term employee benefits	9,180,044	9,098,845
Pension costs	122,400	99,450
	9,302,444	9,198,295

Key management includes directors, chief executive officer, financial controllers, general managers and company secretary of the Company.

3. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

Set out below is the unaudited condensed consolidated interim financial information ("Interim Financial Information") of the Group for the six months ended 30 September 2009 together with the notes therein as extracted from the 2009 interim report of the Company. References to page number in this section are to the page numbers of such interim report of the Company.

Unaudited Condensed Consolidated Statement Of Comprehensive Income

For the six months ended 30 September 2009

		Six months ended 30 September	
		2009	**2008**
	Note	*HK$*	*HK$*
Revenue	4	470,870,617	595,781,583
Cost of sales		(401,238,687)	(505,374,193)
Gross profit		69,631,930	90,407,390
Other operating income	5	4,767,915	1,799,173
Distribution and marketing costs		(8,740,738)	(10,978,435)
Administrative expenses		(47,560,884)	(44,474,706)
Other operating expenses		(1,396,356)	(1,898,732)
Operating profit	6	16,701,867	34,854,690
Finance income		28,541	93,162
Finance costs		(10,497,490)	(9,374,424)
Profit before income tax		6,232,918	25,573,428
Income tax expense	7	(3,870,265)	(5,813,027)
Profit attributable to shareholders		2,362,653	19,760,401
Other comprehensive income for the period, net of tax			
Currency translation differences		749,965	24,983,171
Total comprehensive income attributable to shareholders		3,112,618	44,743,572
Earnings per share (basic and diluted)	9	4 cents	35 cents

Unaudited Condensed Consolidated Balance Sheet
As at 30 September 2009

	Note	30 September 2009 HK$	31 March 2009 HK$
ASSETS			
Non-current assets			
Property, plant and equipment	10	866,052,328	814,192,685
Leasehold land and land use rights	10	24,388,468	24,675,999
Investment property	10	321,875	326,572
Other non-current asset		350,000	350,000
		891,112,671	839,545,256
Current assets			
Inventories		99,306,210	110,289,841
Trade and other receivables	11	180,151,778	158,748,797
Derivative financial assets		162,705	1,426,036
Cash at banks and in hand		19,714,597	52,747,732
		299,335,290	323,212,406
Total assets		1,190,447,961	1,162,757,662
EQUITY			
Capital and reserves			
Share capital	14	5,691,852	5,691,852
Reserves		426,901,356	423,788,738
Total equity		432,593,208	429,480,590
LIABILITIES			
Non-current liabilities			
Borrowings	13	114,582,656	136,383,917
Deferred income tax liabilities		6,704,791	7,180,213
Deferred income		9,692,316	9,783,367
		130,979,763	153,347,497
Current liabilities			
Trade and other payables	12	345,966,159	312,719,436
Derivative financial liabilities		–	823,214
Borrowings	13	231,058,310	219,805,246
Current income tax liabilities		49,850,521	46,581,679
		626,874,990	579,929,575
Total liabilities		757,854,753	733,277,072
Total equity and liabilities		1,190,447,961	1,162,757,662
Net current liabilities		327,539,700	256,717,169
Total assets less current liabilities		563,572,971	582,828,087

Unaudited Condensed Consolidated Statement Of Changes In Equity

For the six months ended 30 September 2009

	Share capital *HK$*	Share premium *HK$*	Contributed surplus *HK$*	Legal reserve *HK$*	Exchange reserve *HK$*	Retained profits *HK$*	Total *HK$*
At 1 April 2009	5,691,852	151,921,671	14,802,582	48,544	52,347,186	204,668,755	429,480,590
Total comprehensive income for the period	–	–	–	–	749,965	2,362,653	3,112,618
At 30 September 2009	5,691,852	151,921,671	14,802,582	48,544	53,097,151	207,031,408	432,593,208
At 1 April 2008	5,691,852	151,921,671	15,940,952	–	29,193,602	181,552,048	384,300,125
Total comprehensive income for the period	–	–	–	–	24,983,171	19,760,401	44,743,572
2008 Final dividend	–	–	(1,138,370)	–	–	–	(1,138,370)
At 30 September 2008	5,691,852	151,921,671	14,802,582	–	54,176,773	201,312,449	427,905,327

Unaudited Condensed Consolidated Cash Flow Statement
For the six months ended 30 September 2009

	Six months ended 30 September 2009 HK$	2008 HK$
Net cash generated from operating activities	76,376,247	145,231,307
Net cash used in investing activities	(94,692,293)	(124,326,770)
Net cash used in financing activities	(14,842,578)	(22,103,708)
Decrease in cash and cash equivalents	(33,158,624)	(1,199,171)
Cash and cash equivalents at the beginning of the period	52,747,732	70,587,894
Effect of foreign exchange rate changes	125,489	(3,531,924)
Cash and cash equivalents at the end of the period	19,714,597	65,856,799
Analysis of cash and cash equivalents:		
Cash at banks and in hand	19,714,597	65,864,773
Bank overdrafts	–	(7,974)
	19,714,597	65,856,799

Notes to the Unaudited Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The address of its principal office is 17th Floor, Phase I, Kingsford Industrial Building, 26-32 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong.

The Group is principally engaged in the manufacturing and selling of consumer electronic products and printed circuit boards.

This Interim Financial Information is presented in Hong Kong dollars, unless otherwise stated. This Interim Financial Information has been approved for issue by the Board of Directors on 21 December 2009.

This Interim Financial Information has not been audited.

2 BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 September 2009 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

This Interim Financial Information should be read in conjunction with the annual financial statements for the year ended 31 March 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

As at 30 September 2009, the Group had net current liabilities of HK$328 million. The directors of the Company have reviewed the Group's cash flows projection which is prepared based on the assumption that the Group's existing banking facilities will continue to be available or can be replaced by new facilities. Details of the Group's available banking facilities, the utilisation and the net book amount of assets pledged for such facilities as at 30 September 2009 are set out in the section headed "Liquidity and financial resources" under "Management discussion and analysis" below. As at 30 September 2009, the Group breached a bank loan covenant of a bank. The total facilities from the bank were HK$27 million of which HK$26 million was utilised as at 30 September 2009. Management considers that the facilities available from the bank are not material compared to the overall financial resources and banking facilities available to the Group for its operations nor will it have material effect to the Group's cash flow projection. Based on the renewed banking facilities up to the date of this Interim Financial Information and the flexibility for the Group to raise additional secured bank loans by pledging its property, plant and equipment which are currently free from encumbrances, the directors believe that the Group will have sufficient financial resources to finance its operations and be able to continue as a going concern in the foreseeable future. Consequently, the directors have prepared the Interim Financial Information on a going concern basis.

3 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with those adopted and as described in the annual financial statements for the year ended 31 March 2009.

Taxes on income in the interim periods are accrued using the tax rates that will be applicable to the expected total annual earnings.

In the current period, the Group has adopted, for the first time, the following new or revised standards, amendments and interpretations ("new and revised HKFRSs") which are mandatory for the accounting periods beginning on 1 April 2009:

HKAS 1 (Revised)	Presentation of financial statements
HKAS 23 (Revised)	Borrowing costs
HKAS 32 and HKAS 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Share-based payment – vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – Int 13	Customer loyalty programmes
HK(IFRIC) – Int 15	Agreements for the construction of real estate
HK(IFRIC) – Int 16	Hedges at a net investment in a foreign operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

The adoption of the above new and revised HKFRSs does not have any significant impacts on the financial statements of the Group for the current or prior accounting periods except for the impact as described below.

HKAS 1 (Revised), "Presentation of financial statements"

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. However, HKAS 1 (Revised) has had no impact on the results reported in the consolidated financial statements of the Group.

HKFRS 8, "Operating segments"

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 "Segment reporting", required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 4).

The Group has not early adopted the following new or revised standards, amendments or interpretations that have been issued but are not yet effective for the accounting period beginning on 1 April 2009:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs issued in 2008
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKAS 24 (Revised)	Related party disclosures
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 32 (Amendment)	Financial instruments: presentation – classification of rights issues
HKAS 39 (Amendment)	Financial instruments: Recognition and measurement on eligible hedged Items
HKFRS 1 (Revised)	First-time adoption of HKFRS
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HKFRS 9	Financial instruments
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – Int 17	Distributions of non cash-assets to owners
HK(IFRIC) – Int 18	Transfers of assets from customers

The directors are in the process of reviewing the impact to the Group's financial statements in respect of the adoption of these standards, amendments and interpretations to existing standards.

4 REVENUE AND SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard, HKAS 14 "Segment reporting", required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss. The Group's reportable segments under HKFRS 8 are therefore identical to the business segments under HKAS 14, namely:

Electronic products – manufacturing and selling of consumer electronic products

Printed circuit boards – manufacturing and selling of printed circuit boards

A segmental analysis of revenue and results for the period was as follows:

	Six months ended 30 September 2009		
	Electronic products	**Printed circuit boards**	**Group**
	HK$	*HK$*	*HK$*
Revenue	23,783,384	447,087,233	470,870,617
Segment results	(2,878,980)	22,533,737	19,654,757
Unallocated income			1,175,810
Unallocated costs			(4,128,700)
Operating profit			16,701,867
Finance income	2,221	26,320	28,541
Finance costs	(44,502)	(10,452,988)	(10,497,490)
Profit before income tax			6,232,918
Income tax expense	–	(3,870,265)	(3,870,265)
Profit attributable to shareholders			2,362,653
Amortisation of leasehold land and land use rights	156,378	145,670	302,048
Bad debts written off	230,522	798,791	1,029,313
Depreciation	3,054,711	44,698,082	47,752,793
Net unrealised loss on derivatives, including in net gain on derivatives of HK$1,044,554 *(note 5)*	–	552,117	552,117
Provision for slow moving and obsolete inventories	302,005	–	302,005

	Six months ended 30 September 2008		
	Electronic products	**Printed circuit boards**	**Group**
	HK$	*HK$*	*HK$*
Revenue	56,286,170	539,495,413	595,781,583
Segment results	(1,732,514)	40,704,821	38,972,307
Unallocated income			364,565
Unallocated costs			(4,482,182)
Operating profit			34,854,690
Finance income	12,052	81,110	93,162
Finance costs	(156,012)	(9,218,412)	(9,374,424)
Profit before income tax			25,573,428
Income tax expense	(242,644)	(5,570,383)	(5,813,027)
Profit attributable to shareholders			19,760,401
Amortisation of leasehold land and land use rights	49,332	144,749	194,081
Bad debts written off	–	1,566,410	1,566,410
Depreciation	2,177,110	30,624,519	32,801,629
Net unrealised loss on derivatives, including in net loss on derivatives of HK$311,972 *(note 6)*	–	420,656	420,656
Provision for slow moving and obsolete inventories	318,076	–	318,076

A segmental analysis of total assets was as follows:

	30 September 2009		
	Electronic products	**Printed circuit boards**	**Group**
	HK$	*HK$*	*HK$*
Total segment assets	42,657,066	1,133,157,329	1,175,814,395
Derivative financial assets	–	162,705	162,705
Unallocated assets			14,470,861
Total assets			1,190,447,961
Total assets include:			
Addition to non-current assets (other than financial instruments)	572,575	98,217,790	98,790,365

	31 March 2009		
	Electronic products	**Printed circuit boards**	**Group**
	HK$	*HK$*	*HK$*
Total segment assets	56,623,325	1,089,579,138	1,146,202,463
Derivative financial assets	–	1,426,036	1,426,036
Unallocated assets			15,129,163
Total assets			1,162,757,662
Total assets include:			
Addition to non-current assets (other than financial instruments)	6,404,935	319,774,099	326,179,034

The Group's operations are principally located in Hong Kong, Macao and Mainland China. The revenue from external customers in Hong Kong, Macao and Mainland China for the six months ended 30 September 2009 is HK$300,627,913 (2008: HK$403,366,791), and the total of its revenue from external customers in other countries is HK$170,242,704 (2008: HK$192,414,792).

At 30 September 2009 and 31 March 2009, all of the non-current assets are located in Hong Kong, Macao and Mainland China.

For the six months ended 30 September 2009, revenues of HK$44,913,578 (2008: HK$76,440,630) were derived from a single external customer. These revenues are attributable to the printed circuit boards products.

5 OTHER OPERATING INCOME

	Six months ended 30 September	
	2009	**2008**
	HK$	*HK$*
Amortisation of deferred income on government grants	102,157	–
Gain on disposal of property, plant and equipment	–	38,533
Net gain on derivatives *(note 4)*	1,044,554	–
Rental income	84,000	84,000
Sales of manufacturing by-products	3,196,334	1,461,017
Sundries	340,870	215,623
	4,767,915	1,799,173

6 OPERATING PROFIT

	Six months ended 30 September	
	2009	**2008**
	HK$	*HK$*
Operating profit is stated after charging the following:		
Amortisation of leasehold land and land use rights	302,048	194,081
Bad debts written off	1,029,313	1,566,410
Cost of inventories sold	401,238,687	505,374,193
Depreciation:		
– Owned property, plant and equipment	32,590,455	25,398,202
– Leased property, plant and equipment	15,157,641	7,398,627
– Investment property	4,697	4,800
Net loss on derivatives *(note 4)*	–	311,972
Provision for slow moving and obsolete inventories	302,005	318,076

7 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	Six months ended 30 September	
	2009	**2008**
	HK$	*HK$*
Current income tax		
Hong Kong profits tax	4,345,687	6,106,760
Overseas taxation	–	169,684
	4,345,687	6,276,444
Deferred income tax		
Hong Kong profits tax	(475,422)	(463,417)
	3,870,265	5,813,027

The Hong Kong Inland Revenue Department (the "IRD") has questioned the basis of tax reporting for certain transactions adopted by certain subsidiaries of the Group in prior years. The matter has not been resolved with the IRD as at the date of approval of this Interim Financial Information. Additional provision for current income tax of approximately HK$20.5 million and write back of deferred income tax liabilities of approximately HK$8.3 million have been booked in respect of this matter in the Group's consolidated financial statements for the year ended 31 March 2008. These are based on management's estimates and may be different from the final outcome of the matter.

8 DIVIDEND

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 September 2009 (2008: Nil).

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company of HK$2,362,653 (2008: HK$19,760,401) and on 56,918,520 (2008: 56,918,520) ordinary shares in issue during the period.

As there are no potential ordinary shares in issue, there is no diluted earnings per share for both periods.

10 CAPITAL EXPENDITURE

	Property, plant and equipment	Leasehold land and land use rights	Investment property	Total
	HK$	*HK$*	*HK$*	*HK$*
Six months ended 30 September 2009				
Net book amount at 1 April 2009	814,192,685	24,675,999	326,572	839,195,256
Exchange differences	817,374	14,517	–	831,891
Additions	98,790,365	–	–	98,790,365
Amortisation/depreciation	(47,748,096)	(302,048)	(4,697)	(48,054,841)
Net book amount at 30 September 2009	866,052,328	24,388,468	321,875	890,762,671
Six months ended 30 September 2008				
Net book amount at 1 April 2008	533,450,283	24,649,173	335,963	558,435,419
Exchange differences	28,362,385	533,245	–	28,895,630
Additions	182,625,446	–	–	182,625,446
Amortisation/depreciation	(32,796,829)	(194,081)	(4,800)	(32,995,710)
Net book amount at 30 September 2008	711,641,285	24,988,337	331,163	736,960,785

(a) At 30 September 2009, the net book amount of properties (including leasehold land and building) pledged as securities for the bank loans of the Group amounting to HK$10,554,430 (31 March 2009: HK$10,725,496).

(b) At 30 September 2009, the net book amount of property, plant and equipment held by the Group under finance leases amounting to HK$159,189,066 (31 March 2009: HK$197,181,423).

11 TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade receivables of HK$129,118,540 (31 March 2009: HK$105,821,602). The ageing analysis of trade receivables was as follows:

	30 September 2009 *HK$*	**31 March 2009** *HK$*
0 – 2 months	105,683,469	66,062,395
3 – 4 months	20,998,131	24,422,753
5 – 6 months	1,554,372	7,653,159
7 – 8 months	324,452	4,439,496
Over 8 months	558,116	3,243,799
	129,118,540	105,821,602

Sales are made to customers with credit terms of 30 to 120 days.

12 TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables of HK$205,606,547 (31 March 2009: HK$184,683,838). The ageing analysis of trade payables was as follows:

	30 September 2009 *HK$*	**31 March 2009** *HK$*
0 – 2 months	111,276,896	87,193,220
3 – 4 months	57,929,633	61,110,740
5 – 6 months	25,776,619	32,354,327
7 – 8 months	8,545,909	3,667,526
Over 8 months	2,077,490	358,025
	205,606,547	184,683,838

13 BORROWINGS

	30 September 2009 *HK$*	**31 March 2009** *HK$*
Non-current		
Long-term liabilities	114,582,656	136,383,917
Current		
Current portion of long-term liabilities	77,051,968	90,126,883
Short-term bank loans	154,006,342	129,678,363
	231,058,310	219,805,246
Total	345,640,966	356,189,163

Movements in borrowings are analysed as follows:

	Six months ended 30 September 2009 HK$	2008 HK$
At the beginning of the period	356,189,163	294,912,807
Exchange differences	196,309	1,358,787
New bank loans	24,252,694	81,736,189
Inception of finance leases	4,098,072	50,118,526
Repayments of borrowings	(39,095,272)	(97,571,062)
At the end of the period	345,640,966	330,555,247

14 SHARE CAPITAL

	Number of shares	Amount HK$
Authorised:		
Ordinary shares of HK$0.10 each		
At 1 April 2008, 31 March 2009 and 30 September 2009	700,000,000	70,000,000
Issued and fully paid:		
Ordinary shares of HK$0.10 each		
At 1 April 2008, 31 March 2009 and 30 September 2009	56,918,520	5,691,852

15 CAPITAL COMMITMENTS

	30 September 2009 HK$	31 March 2009 HK$
Contracted but not provided for		
Plant, machinery and leasehold improvements	51,255,410	112,233,767
Investments in subsidiaries	8,817,796	8,817,796
	60,073,206	121,051,563

16 RELATED PARTY TRANSACTIONS

Key management compensation

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

	Six months ended 30 September	
	2009	**2008**
	HK$	*HK$*
Salaries and other short-term employee benefits	3,904,368	3,974,497
Pension costs	73,800	85,900
	3,978,168	4,060,397

4. STATEMENT OF INDEBTEDNESS

At the close of business on 28 February 2010, being the latest practicable date for ascertaining the information regarding this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK$583.5 million, comprising (i) secured bank borrowings of approximately HK$306.8 million; (ii) unsecured bank borrowings of approximately HK$197.8 million; and (iii) obligations under finance lease contracts of approximately HK$78.9 million.

The Group's secured bank borrowings and banking facilities were secured by a legal charge on the Group's leasehold land, building and machinery with aggregate net book amounts of approximately HK$430.7 million as at 28 February 2010. The Group's obligations under finance leases were secured by a legal charge on the Group's property, plant and equipment with aggregate net book amounts of approximately HK$151.1 million as at 28 February 2010.

Saved as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any bank loans, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures or other loan capital, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 28 February 2010.

The Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 28 February 2010.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the rates of the exchange prevailing at the close of business on 28 February 2010.

5. WORKING CAPITAL

The Directors are of the opinion that the Group has sufficient working capital for its present requirements for at least 12 months from the date of this circular after taking into account the expected completion of the Schmoll Purchase and the financial resources available to the Group, including its internally generated funds and available banking facilities.

6. MATERIAL ADVERSE CHANGE

For the six months ended 30 September 2009, the revenue of the Group decreased by approximately 21.0%, as compared to the last corresponding period, to approximately HK$470.9 million as a result of the adverse impacts of the global economic downturn. Together with the increase in depreciation expenses of the new Jiangxi Factory which commenced production in March 2009 and the increase in finance costs caused by the additional loans for financing the construction and operation of the new factory, the profit attributable to the Shareholders for the six months ended 30 September 2009 decreased by approximately 88.0% to approximately HK$2.4 million. As at 30 September 2009, the Group's net current liabilities amounted to approximately HK$327.5 million, representing an increase of approximately 27.6% as compared to the figure as at 31 March 2009.

Save as disclosed above, the Directors are not aware of any material change in the financial or trading position or prospects of the Group since 31 March 2009, being the date to which the Group's latest published audited consolidated financial statements were made up.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DISCLOSURE OF INTERESTS

Interests of Directors

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name	Number of Shares	Nature of interest	Percentage of shareholding
Mr. Yip Sum Yin	33,175,973 *(Note)*	Settlor and beneficiary of trust	58.28%
Mr. Yip How Yin Maurice	33,175,973 *(Note)*	Settlor and beneficiary of trust	58.28%
Madam Yu Hung Min	29,577,475 *(Note)*	Beneficiary of a trust	51.96%

Note: 29,577,475 Shares were beneficially owned by Sum Tai, which is wholly-owned by Aberdare Assets Limited ("Aberdare"). Aberdare is wholly-owned by Mr. Yip How Yin Maurice as trustee of a discretionary trust established for the benefit of Mr. Yip Sum Yin, Madam Yu Hung Min and their family. 3,598,498 Shares were beneficially owned by Maroc Ventures Inc., which is wholly-owned by Mr. Yip Sum Yin as trustee of a discretionary trust established for the benefit of Mr. Yip How Yin Maurice and his family.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules to be notified to the Company and the Stock Exchange.

Mr. Yip Sum Yin is a director of Sum Tai and Aberdare. Madam Yu Hung Min is a director of Sum Tai.

Interests in contract or arrangement

None of the Directors had any material interests in contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group taken as a whole.

Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up.

Service contracts

There is no existing or proposed service contract between any member of the Group and any Director or proposed Director (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensations)).

Competing business

None of the Directors has any interest in any business which competes or is likely to complete, either directly or indirectly, with the Group's business.

LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this circular and are or may be material:

(a) a lease agreement dated 23 November 2009 between the Purchaser (as lessee) and Sumitomo Mitsui Finance and Leasing (Hong Kong) Limited (as lessor) relating to the lease of 20 sets of drilling machines for a total lease payment of HK$22,236,000;

(b) a Land Use Right Transfer Agreement dated 2 March 2010 between 江西井岡山經濟技術開發區國土資源局 (Jiangxi Jing Gang Shan Economic Development Zone Bureau of Land and Resources) and Red Board (Jiangxi) Limited (a wholly owned subsidiary of the Company) relating to the acquisition of land use right of a plot of land with a total site area of 67,584 square meters located at the North West Corner of the intersection of Jia Hua Road and Xue Yuan West Road, Jing Gang Shan Economic Development Zone, Jiangxi, the PRC (中國江西省井岡山經濟技術開發區嘉華大道與學園西路交叉口西北角地塊) (number:井開區[2009]工-012) for a term of 50 years from 10 March 2010 to 9 March 2060 for a total consideration of RMB6,488,064 (about HK$7,372,800); and

(c) the Schmoll Purchase.

GENERAL

(a) The secretary of the Company is Madam Shiu Man Ching, an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

(b) The registered office of the Company is situated at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

(c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal offices of the Company at 17th Floor, Phase I, Kingsford Industrial Building, 26-32 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong during normal business hours up to and including 29 April 2010:

(a) the Memorandum of Association and the Bye-laws of the Company;

(b) the annual reports of the Company for the two years ended 31 March 2009 and the interim report of the Company for the six months ended 30 September 2009;

(c) the circular(s) of the Company issued pursuant to Chapters 14 of the Listing Rules since 31 March 2009, being the date to which the latest published audited consolidated financial statements of the Group were made up; and

(d) the material contracts referred to in the paragraph headed "Material contracts" in this appendix.