SAME TIME HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 451)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

The Board of Directors of Same Time Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (together, the "Group") for the year ended 31 March 2013, with comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	Note	**2013** *HK$*	2012 *HK$*
Revenue	3	**1,424,016,507**	1,528,179,678
Cost of sales		**(1,366,278,365)**	(1,416,101,692)
Gross profit		**57,738,142**	112,077,986
Other operating income	4	**88,149,772**	48,698,323
Change in fair value of an investment property		**–**	890,000
Distribution and marketing costs		**(21,537,667)**	(23,992,923)
Administrative expenses		**(92,929,667)**	(103,798,099)
Other operating expenses		**(8,298,410)**	(11,537,911)
Operating profit	5	**23,122,170**	22,337,376
Realised loss on embedded derivatives upon conversion of convertible redeemable bond	13	**(19,346,000)**	–
Change in fair value of embedded derivatives	13	**(154,385,960)**	1,872,390
Finance income		**255,408**	215,070
Finance costs	6	**(36,800,952)**	(40,898,703)
Loss before income tax		**(187,155,334)**	(16,473,867)
Income tax credit/(expense)	7	**11,762,292**	(22,503,635)
Loss attributable to owners of the Company		**(175,393,042)**	(38,977,502)
Basic and diluted loss per share attributable to owners of the Company	9	**(216.6 cents)**	(57.6 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	HK$	*HK$*
Loss for the year	**(175,393,042)**	(38,977,502)
Other comprehensive income:		
Currency translation differences	**5,232,489**	21,515,845
Revaluation surplus on leasehold land and buildings, net of deferred tax	**24,614,743**	5,264,631
Other comprehensive income for the year, net of tax	**29,847,232**	26,780,476
Total comprehensive expenses attributable to owners of the Company for the year	**(145,545,810)**	(12,197,026)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Note	2013	2012
		HK$	*HK$*
ASSETS			
Non-current assets			
Property, plant and equipment		**958,011,210**	968,237,517
Land use rights		**20,901,985**	21,309,965
Non-current deposits		**12,037,691**	6,887,029
Other non-current asset		**350,000**	350,000
		991,300,886	996,784,511
Current assets			
Inventories		**193,118,019**	203,197,893
Trade and other receivables	10	**346,003,766**	316,735,282
Pledged bank deposits		**10,929,704**	2,646,121
Cash at banks and in hand		**47,115,302**	29,637,112
		597,166,791	552,216,408
Total assets		**1,588,467,677**	1,549,000,919
EQUITY			
Capital and reserves			
Share capital		**8,594,852**	6,829,852
Reserves		**418,618,799**	498,596,803
Total equity		**427,213,651**	505,426,655
LIABILITIES			
Non-current liabilities			
Borrowings	12	**101,787,267**	169,094,507
Convertible redeemable bond	13	**218,852,570**	66,881,610
Deferred income tax liabilities		**15,073,161**	12,381,700
Deferred income		**20,820,189**	21,203,782
		356,533,187	269,561,599

	Note	**2013**	2012
		HK$	*HK$*
Current liabilities			
Trade and other payables	11	**459,656,464**	438,180,276
Borrowings	12	**300,875,677**	274,488,210
Current income tax liabilities		**44,188,698**	61,344,179
		804,720,839	774,012,665
Total liabilities		**1,161,254,026**	1,043,574,264
Total equity and liabilities		**1,588,467,677**	1,549,000,919
Net current liabilities		**(207,554,048)**	(221,796,257)
Total assets less current liabilities		**783,746,838**	774,988,254

1 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, except for certain properties, derivative financial instruments and financial assets and liabilities at fair value through profit or loss, which had been measured at fair value.

As at 31 March 2013, (i) the Group's current liabilities exceeded its current assets by approximately HK$208,000,000; and (ii) the total borrowings of the Group excluding the fair value of the embedded derivatives of the convertible redeemable bond (which will not be settled in cash upon its conversion) amounted to HK$458,000,000, of which HK$301,000,000 will be due for repayment in the coming twelve months. In addition, the Group breached the covenant requirement of a banking facility during the year and as at 31 March 2013 (note 12). The facility from the bank was approximately HK$12,000,000 and had been fully utilised as at 31 March 2013. In May 2013, the bank granted a waiver from strict compliance with the covenant requirement of the banking facility.

The Group meets its day to day working capital requirements, capital expenditure and other financing obligations through cash inflow from operating activities, facilities obtained from banks and other fund raising activities.

During the year, the Group completed a placing of new shares with net proceeds of approximately HK$42,000,000 raised. Subsequent to the reporting period, the Group obtained additional bank loans in April and May 2013 from its principal banks with an aggregate amount of approximately HK$33,000,000. Moreover, in June 2013, the Group obtained a shareholder loan of HK$20,000,000 which is non-interest bearing and will be repayable in July 2014. The Group also successfully renewed banking facilities that were due during the year ended 31 March 2013. In addition, management maintains continuous communication with the Group's principal banks on the renewal of existing banking facilities that will fall due in the coming twelve months and the grant of additional banking facilities. The Directors have reviewed the Group's bank loans and banking facilities available to the Group and are of the opinion that the bank loans and banking facilities will be renewed when their current terms expire. The Directors have evaluated all the relevant facts available to them and are of the opinion that there are good track records or relationship with the relevant banks which enhance the Group's ability to renew the current bank loans upon expiry.

Up to the date of approval of these financial statements, the Directors are not aware of any intention of the Group's principal banks to withdraw their banking facilities granted or request early repayment of the utilised facilities within the next twelve months from the end of the reporting period.

Based on the Group's cash flow projection and taking into account the reasonably possible changes in trading performance and the ongoing support from the Group's principal banks, the directors believe that the Group will be able to generate sufficient cash flows to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2 ACCOUNTING POLICIES

(i) New and amended standards adopted by the Group

In the current year, the Group has adopted, for the first time, the following new or revised standards, amendments and interpretations to existing standards ("new and revised HKFRSs") which are mandatory for the accounting periods beginning on or after 1 April 2012:

HKAS 12 (Amendment)	Deferred tax: recovery of underlying assets
HKFRS 7 (Amendment)	Financial instruments: Disclosures – transfer of financial assets

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.

(ii) The Group has not early adopted the following new and revised HKFRSs that have been issued but are not yet effective for the accounting period beginning on or after 1 April 2012:

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Presentation of items of other comprehensive income	1 July 2012
HKAS 19 (2011)	Employee benefits	1 January 2013
HKAS 27 (2011)	Separate financial statements	1 January 2013
HKAS 28 (2011)	Investments in associates and joint ventures	1 January 2013
HKAS 32 (Amendment)	Financial instruments: Presentation – offsetting financial assets and financial liabilities	1 January 2014
HKFRS 1 (Amendment)	Government Loans	1 January 2013
HKFRS 7 (Amendment)	Financial instruments: Disclosures – offsetting financial assets and financial liabilities	1 January 2013
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosures	1 January 2015
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interests in other entities	1 January 2013
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities	1 January 2014
HKFRS 13	Fair value measurement	1 January 2013
HK (IFRIC) – Int 20	Stripping costs in the production phase of a surface mine	1 January 2013
Annual improvements	Amendment to a number of HKFRSs issued in June 2012	1 January 2013

The Group has assessed that the adoption of HKFRS 10 in the coming year ending 31 March 2014 does not have any financial impact on the Group as all subsidiaries within the Group satisfy the requirements for the control under HKFRS 10 and there are no new subsidiaries identified under the new guidance.

The Group has not early adopted these new and revised HKFRSs in the financial statements for the year ended 31 March 2013. The Group anticipates that the application of the above new and revised HKFRSs have no material impact on the results and the financial position of the Group.

3 REVENUE AND SEGMENT INFORMATION

(a) Application of HKFRS 8 "Operating segments"

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decision.

As almost all of the Group's business operations relate to the manufacturing and selling of printed circuit boards, the chief operating decision-maker makes decisions about resources allocation and performance assessment based on the entity-wide financial information. Therefore, there is only one reportable segment for the Group in this year.

(b) Geographical information

The Group's operations are principally located in Hong Kong and Mainland China. The revenue from external customers in Hong Kong and Mainland China for year ended 31 March 2013 is HK$948,000,135 (2012: HK$1,002,232,962), and the total of its revenue from external customers in other countries is HK$476,016,372 (2012: HK$525,946,716).

At 31 March 2013 and 2012, most of the non-current assets are located in Hong Kong and Mainland China.

(c) Information about major customers

For the year ended 31 March 2013, revenues of HK$172,003,660 (2012: HK$146,544,865) are derived from a single external customer. These revenues are attributable to the sales of printed circuit board products.

4 OTHER OPERATING INCOME

	2013 ***HK$***	2012 *HK$*
Amortisation of deferred income on government grants	**454,755**	449,361
Bad debts recovered	**925,110**	–
Gain on disposal of property, plant and equipment	**350,687**	–
Government subsidies *(Note)*	**11,156,364**	10,131,712
Net gain on derivatives	**–**	342,527
Rental income	**–**	120,000
Sale of manufacturing by-products	**72,855,260**	37,630,787
Sundries	**468,310**	23,936
Write-off of other payables	**1,939,286**	–
	88,149,772	48,698,323

Note: Government subsidies mainly represent cash received from the local municipal government in the PRC for the years ended 31 March 2013 and 2012 as incentives to encourage export sales in the PRC, the conditions attached thereto had been fully complied with.

5 OPERATING PROFIT

	2013	2012
	HK$	*HK$*
Operating profit is stated after charging the following:		
Auditor's remuneration	**2,233,000**	1,580,000
Amortisation of land use rights	**477,233**	471,839
Bad debts written off *(Note)*	**2,928,248**	7,194,926
Impairment loss on other receivables *(Note)*	**3,085,007**	–
Cost of inventories sold	**840,667,006**	925,637,223
Depreciation		
– Owned property, plant and equipment	**114,399,372**	104,698,442
– Leased property, plant and equipment	**11,917,129**	16,815,809
Loss on disposal of a subsidiary *(Note)*	**–**	240,322
Loss on disposal of property, plant and equipment *(Note)*	**–**	2,571,504
Net exchange loss	**7,738,177**	18,096,670
Operating lease rental in respect of properties	**5,710,302**	5,676,980
Staff costs (including directors' emoluments)	**218,448,097**	201,463,335

Note: These expenses have been included in "other operating expenses" in the consolidated income statement.

6 FINANCE COSTS

	2013	2012
	HK$	*HK$*
Interest on bank loans wholly repayable within five years	**29,674,061**	32,756,529
Interest element of finance leases	**2,557,891**	3,730,428
Interest on convertible redeemable bond	**4,569,000**	3,196,746
Redemption cost of convertible redeemable bond	**–**	1,215,000
	36,800,952	40,898,703

7 INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) 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.

	2013	2012
	HK$	*HK$*
Current income tax		
– Hong Kong profits tax		
Provision for current year	**–**	122,780
(Over)/under-provision for prior years	**(15,861,224)**	14,635
	(15,861,224)	137,415
– Overseas taxation		
Provision for current year	**9,236,571**	21,080,440
Under-provision for prior years	**–**	30,531
	9,236,571	21,110,971
Total current income tax (credit)/expense	**(6,624,653)**	21,248,386
Deferred income tax	**(5,137,639)**	1,255,249
	(11,762,292)	22,503,635

Notes:

(a) The Hong Kong Inland Revenue Department (the "IRD") questioned the basis of tax reporting for certain transactions adopted by certain subsidiaries of the Group in prior years. Current income tax of approximately HK$20,500,000 was recorded in the Group's consolidated financial statements for the year ended 31 March 2008. During the year, the case was resolved with the IRD, a reversal of current income tax of approximately HK$15,800,000 and write back of related deferred tax liabilities of approximately HK$6,800,000 were booked in the Group's consolidated income statement for the year ended 31 March 2013.

(b) Pursuant to relevant laws and regulations in the PRC, certain subsidiaries of the Company in the PRC are exempted from PRC Enterprise Income Tax for two years starting from the first profit-making year in which profits exceed any carried forward tax losses followed by a 50% reduction in the income tax rate in the following three years ("Tax Holiday"). The Tax Holiday enjoyed by these subsidiaries expired on 31 December 2012.

8 DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 March 2013 (2012: Nil).

9 LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company and on the weighted average number of ordinary shares in issue during the year.

	2013	2012
	HK$	*HK$*
Weighted average number of ordinary shares in issue	**80,961,533**	67,707,755
Loss attributable to owners of the Company	**(175,393,042)**	(38,977,502)
Basic loss per share attributable to owners of the Company	**(216.6 cents)**	(57.6 cents)

For the years ended 31 March 2013 and 2012, the diluted loss per share was the same as the basic loss per share, as the convertible redeemable bond had an anti-dilutive effect on the loss per share.

10 TRADE AND OTHER RECEIVABLES

	2013	2012
	HK$	*HK$*
Trade receivables	**282,169,290**	233,193,163
Deposits, prepayments and other receivables	**63,834,476**	83,542,119
	346,003,766	316,735,282

The ageing analysis of trade receivables based on invoice date is as follows:

	2013	2012
	HK$	*HK$*
0 – 60 days	**191,729,961**	174,499,369
61 – 120 days	**76,822,361**	52,486,730
121 – 180 days	**10,139,572**	3,964,079
181 – 240 days	**2,773,952**	1,124,214
Over 240 days	**703,444**	1,118,771
	282,169,290	233,193,163

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

11 TRADE AND OTHER PAYABLES

	2013	2012
	HK$	*HK$*
Trade payables	**343,781,612**	325,870,022
Other payables for the purchase of plant and machinery	**50,569,885**	53,300,891
Other payables	**20,015,699**	12,785,810
Receipts in advance	**14,451,289**	17,752,162
Accrued expenses		
– Staff costs	**20,950,844**	17,465,005
– Utilities	**5,489,875**	4,530,757
– Others	**4,397,260**	6,475,629
	459,656,464	438,180,276

The ageing analysis of trade payables based on invoice date is as follows:

	2013	2012
	HK$	*HK$*
0 – 60 days	**128,823,585**	151,738,843
61 – 120 days	**125,712,885**	91,596,790
121 – 180 days	**61,532,981**	56,877,691
181 – 240 days	**16,838,521**	18,760,371
Over 240 days	**10,873,640**	6,896,327
	343,781,612	325,870,022

12 BORROWINGS

	2013	2012
	HK$	*HK$*
Non-current		
Bank loans	**80,274,663**	147,690,490
Obligations under finance leases	**21,512,604**	21,404,017
	101,787,267	169,094,507
Current		
Bank loans	**272,619,301**	248,117,008
Obligations under finance leases	**28,256,376**	26,371,202
	300,875,677	274,488,210
Total borrowings	**402,662,944**	443,582,717

The interest-bearing bank borrowings are carried at amortised cost.

During the year, one of the banking facilities granted to the Group stipulated that the assets should not be pledged without permission. (2012: the assets should not be pledged without permission). At 31 March 2013, the Group breached such covenant. The banking facility from the bank was approximately HK$12,000,000 (2012: HK$62,000,000) and had been fully utilised as at 31 March 2013 (2012: HK$37,000,000). In May 2013, the bank granted a waiver from strict compliance with the covenant requirement of the banking facility.

13 CONVERTIBLE REDEEMABLE BOND

	2013	2012
	HK$	*HK$*
Liability component	**55,176,570**	57,591,570
Fair value of the embedded derivative	**163,676,000**	9,290,040
	218,852,570	66,881,610

The Group entered into a subscription agreement to issue a three-year 1.0% convertible redeemable bond at a total nominal value of HK$90,000,000. A resolution was duly passed and approved by the shareholders on 13 May 2011, and the bond certificates were issued to the subscriber on 16 June 2011. The bond matures three years from the date of issuance at their nominal value of HK$90,000,000 or can be converted into ordinary shares of the Company at HK$1.80 per share after six months from the date of issuance.

The major terms and conditions of convertible redeemable bond are as follows:

(a) Interest rate

The Company shall pay an interest on the convertible redeemable bond at 1.0% per annum.

(b) Conversion price

The convertible redeemable bond can be converted into shares at the initial conversion price of HK$1.80 per share, subject to adjustments. The conversion price will be subject to adjustment for, amongst others, consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distribution, rights issues of shares or options over shares, rights issues of other securities, issues at a certain discount to current market price, change of control and other usual adjustment events. The conversion price may not be reduced so that the conversion shares may fall to be issued at a discount to their par value.

(c) Maturity

The maturity date of the convertible redeemable bond is 16 June 2014.

(d) Redemption at the option of the Company

The Company may upon giving not less than 14 days' notice to the bond holder, at any time after 16 June 2011 redeem all or part of the outstanding bond at a redemption price at 105% to its relevant principal amount, together with accrued interest accrued to and excluding the date of redemption.

(e) **Redemption at the option of the holder**

At any time and from time to time after 16 June 2013 until the maturity date, the bond holder may, having given not less than 90 days' written notice to the Company (which notice shall be irrevocable), redeem all or part of the bond at 103% of relevant principal amount, together with accrued interest accrued to and excluding the date of redemption.

(f) **Redemption for delisting or change of control**

Following the occurrence of suspension or delisting of the Company, the bond holder will have the right to require the Company to redeem the entire bond at a principal amount outstanding together with any accrued interest accrued up to and including the date of repayment.

The fair value of the convertible redeemable bond was determined by an independent qualified valuer based on the Binomial Lattice Model. The fair value of the liability component on initial recognition was valued as the proceeds of the convertible redeemable bond (net of transaction cost) minus the fair value of the embedded derivative. The fair value of the embedded derivative was valued by estimating the value of the whole bond with and without the conversion feature. The difference in value reflects the value of the embedded derivative.

The conversion feature fails the fixed-for-fixed requirement for equity classification as one of the conversion ratio adjustments does not preserve the relative interest between bondholder and ordinary shareholders. The option is therefore regarded as derivatives with changes in fair value through profit or loss in accordance with HKAS 39, "Financial instruments: recognition and measurement".

On 17 January 2012, the Company redeemed HK$24,300,000 of the principal amount of the convertible redeemable bond at 105% of the relevant principal amount.

On 25 June 2012, the Company issued 13,650,000 new shares of HK$0.10 each of the Company at a price of HK$3.13 per share through a share placing arrangement. The conversion price of the convertible redeemable bond was adjusted from HK$1.80 to HK$1.75 per share in accordance with the terms on conversion price adjustment.

On 13 September 2012, convertible redeemable bond with a principal amount of HK$7,000,000 was converted into 4,000,000 ordinary shares of the Company at the price of HK$1.75 per share. As a result, the Group recognised a loss on embedded derivatives amounting to HK$19,346,000 upon such conversion.

During the year, the Group recognised a further fair value loss on embedded derivatives of the convertible redeemable bond amounting to HK$154,385,960, which is primarily a result of the changes of certain parameters during the year used to determine the fair value of the embedded derivatives including but not limited to the Company's share price and its volatility, interest rates and the likelihood of the exercise of conversion right and redemption rights of the convertible redeemable bond by the bond holder and the Company respectively.

As at 31 March 2013, the holder of the convertible redeemable bond confirmed that the redemption option of the convertible redeemable bond would not be exercised prior to its maturity date on 16 June 2014. Accordingly, the convertible redeemable bond was classified as a non-current liability as at 31 March 2013.

The movement of liability component is as follows:

	HK$
Liability component as at 16 June 2011	74,708,570
Interest expense for the year *(note 6)*	3,196,746
Less: interest payment during the year	(142,746)
Partial redemption	(20,171,000)
Liability component as at 31 March 2012	57,591,570
Interest expense for the year *(note 6)*	4,569,000
Less: interest payment during the year	(657,000)
Conversion to ordinary shares	(6,327,000)
Liability component as at 31 March 2013	55,176,570

The fair value of the liability component of the convertible redeemable bond as at 31 March 2013 amounted to HK$56,044,000 (2012: HK$60,214,230). The fair value is calculated by using discounted cash flow method using discount rates ranged from 4.90% to 5.66% (2012: 4.31% to 5.50%).

The movement of fair value of the embedded derivative is as follows:

	HK$
Fair value of the embedded derivative as at 16 June 2011	15,291,430
Partial redemption	(4,129,000)
Gain from change in fair value	(1,872,390)
Fair value of the embedded derivative as at 31 March 2012	9,290,040
Loss from change in fair value	173,731,960
Conversion to ordinary shares	(19,346,000)
Fair value of the embedded derivative as at 31 March 2013	163,676,000

Loss from change in fair value of the embedded derivative for the year ended 31 March 2013 is HK$173,731,960 (2012: Gain from change in fair value of HK$1,872,390), which is recognised in the consolidated income statement and disclosed separately. The related interest expense of the liability component of the convertible redeemable bond for the year ended 31 March 2013 amounted to HK$4,569,000 (2012: HK$3,196,746), which is calculated using the effective interest method with effective interest rates of 6.65% and 6.61% before and after the conversion respectively (2012: effective interest rates of 7.29% and 6.65% before and after the redemption respectively).

14 BANKING FACILITIES

At 31 March 2013, total facilities granted to the Group amounted to HK$456,948,081 (2012: HK$455,185,290) of which HK$352,893,964 (2012: HK$395,807,498) were utilised.

Among the total facilities, banking facilities amounting to HK$370,498,444 (2012: HK$337,841,996) were secured by legal charges on the following assets of the Group:

	2013	2012
	HK$	*HK$*
Property, plant and equipment	**331,172,573**	666,807,998
Land use rights	**20,263,754**	20,649,257
Pledged bank deposits	**10,929,704**	2,646,121
	362,366,031	690,103,376

15 CAPITAL COMMITMENTS

	2013	2012
	HK$	*HK$*
Contracted but not provided for		
Plant, machinery and leasehold improvements	**19,486,929**	3,740,784

16 EVENTS AFTER THE REPORTING PERIOD

On 2 April 2013, the Company entered into a non-legally binding memorandum of understanding (the "MOU") with Sinopro Enterprises Limited (the "Vendor") pursuant to which the Company intends to acquire and the Vendor intends to sell the entire issued share capital of each of Protime Investments Limited ("Protime") and Jumbo Clear Investments Limited ("Jumbo Clear", together with Protime, the "Target Companies") (the "Proposed Transaction") which are beneficially interested in three power plants in the PRC.

The consideration for the Proposed Transaction (the "Consideration") shall be subject to the valuation of the business of the Target Companies and their respective subsidiaries and associate companies (altogether the "Target Group") by an independent valuer, but in any event shall not be less than HK$5,000,000,000. The Consideration shall be settled by way of issue of new shares (the "Consideration Shares") by the Company and cash, and the cash portion of the Consideration shall be subject to mutual agreement between the parties to the MOU and reflected in the formal sales and purchase agreement. The issue price of the Consideration Shares were agreed to be the lower of HK$5 per share and a price that is equivalent to a 20% discount to the average closing prices of the shares of the Company for the last 30 trading days prior to the signing of the MOU. No payment is required to be made upon the signing of the MOU.

Up to the date of the approval of these financial statement: (i) the Company and the Vendor are carrying out their respective due diligence in respect of the Proposed Transaction and it has still not yet been completed; (ii) the discussion and negotiation of the terms of the Proposed Transaction is ongoing; and (iii) no legally binding agreement has been entered into between the Company and the Vendor in respect of the Proposed Transaction.

CHAIRMAN'S STATEMENT

Business Review

For the year ended 31 March 2013, loss before income tax of the Group amounted to HK$187,155,334 (2012: HK$16,473,867). Loss attributable to owners amounted to HK$175,393,042 (2012: HK$38,977,502).

The loss was mainly due to the fair value loss of HK$173,731,960 on convertible redeemable bond resulting from valuation on outstanding convertible redeemable bond and fair value loss recognised on conversion during the year. Excluded such fair value loss which was not related to ordinary operation, the Group recognised a loss of HK$1,661,082 from business operation for the year ended 31 March 2013.

Turnover for the year dropped by 6.8% to HK$1,424,016,507 resulting from diminishing sales in HDI board.

The increasing labour/staff costs and electricity cost caused a decline in gross profit ratio.

Lowering leverage and decreasing interest rates contributed to saving in finance costs.

Prospect

The major challenges to the global economy are similar to those of a year ago. Major factors including possible increase in labor costs and appreciation of Renminbi still have negative impact on our operating costs. In order to ease the impact, the Group would not only adopt more cost control measures, but also develop advanced products with higher gross profit margin and expand the local sales in the China market.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

For the year ended 31 March 2013, the revenue of the Group amounting to HK$1,424,016,507 (2012: HK$1,528,179,678) represented a decrease of 6.8% compared with last year whereas the loss attributable to owners amounted to HK$175,393,042 (2012: loss attributable to owners amounted to HK$38,977,502). The realised loss on embedded derivatives upon conversion of convertible redeemable bond during the year amounting to HK$19,346,000 and change in fair value of embedded derivatives of the convertible redeemable bond outstanding as at 31 March 2013 amounting to HK$154,385,960 significantly impacted the bottom line of the Group. Excluding this loss, the Group made an after tax loss of HK$1,661,082.

Financial Review

Revenue

The Group principally engages in the manufacturing and selling of printed circuit boards.

The revenue for 2013 and 2012 are as follows:

	2013	2012	**Decrease**
	HK$	*HK$*	*%*
Printed circuit boards	1,424,016,507	1,528,179,678	6.8

In the current year, the revenue from customers in Hong Kong and Mainland China represented 67% (2012: 66%) of the Group's total revenue.

Cost of sales

Cost of sales in the current year decreased to HK$1,366,278,365 (2012: HK$1,416,101,692) representing a decrease of 3.5% compared with last year.

The decline in gross profit margin from 7.3% to 4.1% was mainly due to the increase in labor costs and other production costs.

Other operating income

Other operating income mainly included sale of manufacturing by-products amounting to HK$72,855,260 (2012: HK$37,630,787) and government subsidies of Jiangxi factory amounting to HK$11,156,364 (2012: HK$10,131,712). Government subsidies represent cash received from the local municipal government in the PRC as incentives to encourage export sales in the PRC, the conditions attached thereto had been fully complied with.

Distribution and marketing expenses

Distribution and marketing expenses decreased to HK$21,537,667 (2012: HK$23,992,923) representing a decrease of 10.2% compared with last year. The decline was mainly due to decrease in sales commission, freights and delivery expenses during the year.

Administrative expenses

Administrative expenses decreased to HK$92,929,667 (2012: HK$103,798,099) representing a decrease of 10.5% compared with last year. Net exchange loss amounting to HK$7,738,177 (2012: HK$18,096,670) due to the appreciation of Renminbi was included.

Other operating expenses

Other operating expenses mainly included bad debts written off amounting to HK$2,928,248 (2012: HK$7,194,926) which represented 0.2% (2012: 0.5%) of total revenue, impairment loss recognised in respect of other receivables amounting to HK$3,085,007 (2012: Nil) and compound penalty on additional tax amounting to HK$1,600,000 (2012: Nil).

Finance costs

Finance costs amounting to HK$36,800,952 (2012: HK$40,898,703) represented a decrease of 10.0% compared with last year, which was mainly due to the reduced borrowing level and the decrease of People's Bank of China benchmark lending rate.

Income tax

The Hong Kong Inland Revenue Department (the "IRD") questioned the basis of tax reporting for certain transactions adopted by certain subsidiaries of the Group in prior years. Current income tax of approximately HK$20,500,000 was recorded in the Group's consolidated financial statements for the year ended 31 March 2008. During the year, the matter was resolved with the IRD, a reversal of current income tax of approximately HK$15,800,000 and write back of deferred tax liabilities of approximately HK$6,800,000 have been booked in the Group's consolidated income statement for the year ended 31 March 2013.

Loss relating to the convertible redeemable bond

According to the relevant accounting standards and the terms of the convertible redeemable bond, the liability components and the embedded derivatives of the convertible redeemable bond should be separately accounted for. The embedded derivatives concerned referred to conversion right and redemption rights of the convertible redeemable bond exercisable by the bond holders and the Company respectively.

During the year, the Group recognised a loss on embedded derivatives amounting to HK$19,346,000 upon conversion of convertible redeemable bond with a principal amount of HK$7,000,000 into 4,000,000 ordinary shares of the Company at the price of HK$1.75 per share on 13 September 2012. In addition, the Group recognised a further fair value loss on embedded derivatives of the convertible redeemable bond amounting to HK$154,385,960, which is primarily a result of the changes of certain parameters during the year used to determine the fair value of the embedded derivatives including but not limited to the Company's share price and its volatility, interest rates and the likelihood of the exercise of the conversion right and redemption rights of the convertible redeemable bond by the bond holders and the Company respectively.

Liquidity and financial resources

At 31 March 2013, the liability component and the fair value of the embedded derivatives of convertible redeemable bond amounted to HK$55,176,570 (2012: HK$57,591,570) and HK$163,676,000 (2012: HK$9,290,040) respectively.

On the basis that the convertible redeemable bond will be settled on cash basis, the total borrowings of the Group, excluding the fair value of the embedded derivatives of the convertible redeemable bond (which will not be settled in cash upon its conversion), amounted to HK$457,839,514 (2012: HK$501,174,287) which were mainly payable in Hong Kong dollars and Renminbi. The Group's gearing ratio at 31 March 2013, which was calculated as the ratio of total borrowings less pledged bank deposits and cash at banks and in hand to total equity, was 94% (2012: 93%).

At 31 March 2013, the Group's total borrowings were repayable as follows:

	2013		2012	
	HK$		*HK$*	
Within one year	300,875,677	66%	274,488,210	55%
In the second year	112,094,868	24%	84,901,613	17%
In the third to fifth years	44,868,969	10%	141,784,464	28%
	457,839,514	100%	501,174,287	100%

At 31 March 2013, the Group's total banking facilities were summarised as follows:

	2013	2012
	HK$	*HK$*
Total banking facilities granted	**456,948,081**	455,185,290
Facilities utilised	**(352,893,964)**	(395,807,498)
Available facilities	**104,054,117**	59,377,792

Among the total facilities, banking facilities amounting to HK$370,498,444 (2012: HK$337,841,996) were secured by legal charges on the Group's assets with a net book value of HK$362,366,031 (2012: HK$690,103,376).

During the year, one of the banking facilities granted to the Group has stipulated that the assets should not be pledged without permission (2012: the assets should not be pledged without permission). At 31 March 2013, the Group breached such covenant. The banking facility from the bank was approximately HK$12,000,000 (2012: HK$62,000,000) and had been fully utilised as at 31 March 2013 (2012: HK$37,000,000). In May 2013, the bank granted a waiver from strict compliance with the covenant requirement of the banking facility.

At 31 March 2013, obligations under finance leases of the Group amounting to HK$49,768,980 (2012: HK$47,775,219) were secured by legal charges on the Group's property, plant and equipment with a net book amount of HK$93,271,914 (2012: HK$86,953,901).

Purchase, sale or redemption of shares

Neither the Company nor any of its subsidiaries had redeemed, purchased or sold any of the redeemable securities or listed securities of the Company during the year.

Corporate governance

The board of directors (the "Board") is committed to promoting good corporate governance to safeguard the interests of the shareholders and to enhance the Group's performance. Throughout the year, the Company has adopted the code provisions of the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code and Corporate Governance Report (the "New CG Code") (effective from 1 April 2012) as set out in Appendix 14 to the Listing Rules.

During the year ended 31 March 2013, the Company was in compliance with the code provisions set out in the New CG Code except for the deviation from the code provisions A.5.1, A.6.7 and D.1.4. Key corporate governance principles and practices of the Company as well as the particulars of the foregoing deviations and the reasons thereof are detailed below.

Code provision A.5.1 of the New CG Code requires that issuers should establish a nomination committee. At 31 March 2013, the Company had not set up a Nomination Committee. Pursuant to the Company's Bye-laws, any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall retire and be eligible for re-election at the next following general meeting after appointment. Executive directors identify potential new directors and recommend to the Board for decision. In considering the nomination of a new director, the Board will take into account the qualification, ability, working experience, leadership and professional ethics of the candidates. In determining the independence of independent non-executive directors, the Board follows the requirements set out in the Listing Rules.

Code provision A.6.7 of the New CG Code requires that independent non-executive directors and other non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Two independent non-executive directors, Mr LAI Wing Leung, Peter and Madam LEE Mei Ling, did not attend the annual general meeting of the Company held on 10 August 2012 by the reason of their another business engagement.

Code provision D.1.4 of the New CG Code requires that issuers should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company had formal letters of appointment for Directors except two executive directors, Mr YIP Sum Yin and Madam YU Hung Min. However, the Directors shall be subject to retirement in accordance with the Articles. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Save as the aforesaid, none of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not in compliance with the New CG Code at any time during the year ended 31 March 2013.

Model code for securities transactions by directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as its code of conduct regarding the directors' securities transactions. The Company has made specific enquiry with all directors of the Company, who have confirmed compliance with the required standard set out in the Model Code during the year ended 31 March 2013.

Audit committee

The Audit Committee has reviewed, with the management of the Group, the accounting principles and practices adopted by the Group, its internal controls and financial reporting matters including the review of the annual report for the year ended 31 March 2013.

Appreciation

On behalf of the Board, I would like to extend our gratitude and sincere appreciation to all management and staff members for their diligence and dedication, and also to our business partners and the Company's shareholders for their continuing support.

Directors

As at the date of this announcement, the Board comprises the following directors:

Executive Directors:
Mr Yip Sum Yin
Madam Yu Hung Min
Mr CHUNG Chi Shing
Mr MAO Lu
Mr YIP Wing Fung

Independent Non-Executive Directors:
Mr Lai Wing Leung, Peter
Mr Lam Kwok Cheong
Madam Lee Mei Ling

On behalf of the Board
YIP Sum Yin
Chairman

Hong Kong, 10 June 2013