YEEBO (INTERNATIONAL HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 259

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. FANG Hung, Kenneth, GBS, JP
Mr. LI Kwok Wai, Frankie
Mr. LEUNG Tze Kuen
Mr. FANG Yan Tak, Douglas#
Mr. CHEN Shuang, JP#
Mr. CHU Chi Wai, Allan*
Mr. LAU Yuen Sun, Adrian*
Professor LAU Kei May*

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

COMPANY SECRETARY

Mr. LAU Siu Ki, Kevin

AUDITOR

Deloitte Touche Tohmatsu

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL REGISTRAR AND TRANSFER OFFICE

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

BRANCH REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

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

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

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

DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

FANG Hung, Kenneth, GBS, JP, aged 82, is the Chairman of the Company responsible for overall corporate development and strategic direction of the Group. Mr. Fang holds a master degree in Chemical Engineering from the Massachusetts Institute of Technology. He is the Chairman of Fang Brothers Holdings Limited and a director of a number of other private companies in Hong Kong and People's Republic of China. Mr. Fang is the father of Mr. Fang Yan Tak, Douglas, a Non-executive Director of the Company. Mr. Fang joined the Company as a Director in August 1995.

LI Kwok Wai, Frankie, aged 63, is the Chief Executive Officer of the Company responsible for planning and developing corporate strategies, corporate policies setting and overall management of the Group. He is also a director of various subsidiaries of the Company. Mr. Li graduated from the Hong Kong University majoring in Business Management and has substantial experience in banking and corporate finance. Mr. Li joined the Company as a Director in November 1995.

LEUNG Tze Kuen, aged 58, is responsible for the planning and developing finance strategies, direct investment management and policy setting of the Group. He is also a director of various subsidiaries of the Company. Mr. Leung graduated from the Chinese University of Hong Kong majoring in Accounting. He also holds a MBA degree from Monash University, Australia. He is a member of CPA Australia. He has extensive experience in operational and financial management. Mr. Leung was appointed as an Executive Director of the Company in September 2007.

NON-EXECUTIVE DIRECTOR

FANG Yan Tak, Douglas, aged 48, is the Vice Chairman of the Company and currently a director at Fang Brothers Holdings Limited ("Fang Brothers") and its various affiliated companies. Prior to joining Fang Brothers, he worked at Donaldson, Lufkin & Jenrette, an investment bank in the United States of America. Mr. Fang received his Bachelor of Science degree from the Massachusetts Institute of Technology in 1995. Mr. Fang is the son of Mr. Fang Hung, Kenneth, the Chairman of the Company. Mr. Fang was appointed as a Non-executive Director in June 2014.

CHEN Shuang, JP, aged 53, is currently the founding and managing partner of APlus Partners Management Co. Limited. Mr. Chen is also an independent non-executive director of Shanghai Zendai Property Limited, a company listed in The Stock Exchange of Hong Kong Limited, an independent director of China Life Property & Casualty Insurance Company Limited and an independent director of Guotai Asset Management Co., Ltd.. Previously Mr. Chen was the chief executive officer and president of CIMC Capital Holdings Limited and also the chairman and president of CIMC Capital International Co. Ltd., a director and deputy general manager of China Everbright Holdings Co., Ltd.; an executive director, the chief executive officer and the chairman of the management decision committee of China Everbright Limited. Mr. Chen was also a director of a number of listed and private companies in Hong Kong and People's Republic of China. In addition, he also serves in various public offices including as a non-official member of the Governance Committee of the Hong Kong Growth Portfolio, a member of the board of directors of Hong Kong Science and Technology Parks Corporation, a member of the Exchange Fund Advisory Committee's Financial Infrastructure and Market Development Sub-Committee of the Hong Kong Monetary Authority, a member of the Mainland Business Advisory Committee of the Hong Kong Trade Development Council and the chairman of Hua Jing Society. Mr. Chen graduated from the East China University of Political Science and Law with a Master of Law degree and a Diploma in Legal Studies from the School of Professional and Continuing Education of the University of Hong Kong. He is a qualified lawyer in the People's Republic of China and a senior economist. Mr. Chen has over 27 years of experience in commercial and investment banking. Mr. Chen joined the Company as an Independent Non-executive Director in September 2019 and was re-designated as a Non-executive Director in December 2020.

DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

CHU Chi Wai, Allan, aged 69, has over 49 years' experience in the electronics industry. Mr. Chu is the Executive Director of Fairable Investment Limited which is an investment holding company. Mr. Chu joined the Company as an Independent Non-executive Director in August 1998.

LAU Yuen Sun, Adrian, aged 66, holds a Bachelor Degree in Commerce from the University of Windsor, Canada and has years of experience in banking and investment. Mr. Lau had worked for the National Bank of Canada as the vice president of Asia region as well as the general manager of the Hong Kong branch from September 1994 to December 1996. He has served directorships in various listed companies in Hong Kong. Mr. Lau joined the Company as an Independent Non-executive Director in May 2004.

LAU Kei May, aged 66, is a Chair Professor of the Department of Electronic & Computer Engineering at the Hong Kong University of Science and Technology ("HKUST"). Prof. Lau received the B.S. and M.S. degrees in physics from the University of Minnesota, Minneapolis, and the PhD, Degree in Electrical Engineering from Rice University, Houston, Texas. Before joining HKUST in 2000, she had a brief stint in the electronics industry, and was a professor at the University of Massachusetts/Amherst for 18 years. Prof. Lau is a Fellow of the Institute of Electrical and Electronics Engineers ("IEEE"), the Optical Society ("OSA") and the Hong Kong Academy of Engineering Sciences. She is also a recipient of the Institute of Engineering and Technology (IET) J J Thomson medal for electronics, OSA Nick Holonyak Jr, Award, IEEE Photonics Society Aron Kressel Award, and Hong Kong Croucher Senior Research Fellowship. She served as an editor of professional journals in her field. Prof. Lau joined the Company as an Independent Non-executive Director in March 2021.

COMPANY SECRETARY

LAU Siu Ki, Kevin, aged 62, is the Company Secretary of the Company. Mr. Lau graduated from the Hong Kong Polytechnic and is a fellow member of both the Association of Chartered Certified Accountants as well as the Hong Kong Institute of Certified Public Accountants. He has extensive experience working in or with listed companies in Hong Kong. Mr. Lau joined the Company in May 2004.

SENIOR MANAGEMENT

HAN Yu Zhong, aged 64, is the President responsible for the overall Liquid Crystal Displays ("LCD") and Liquid Crystal Display Modules ("LCM") business operation. Mr. Han's experience has predominantly been gained in LCD manufacturing and business operations and has capitalized his experience therefrom to carry out the Group's business expansion plan. Mr. Han joined the Group in 1990.

JIA Xiu Juan, aged 58, is the Vice President responsible for the financial management of LCD and LCM business. Ms. Jia has extensive experience in accounting and taxation. She graduated from Guangdong Academy of Social Sciences in the People's Republic of China ("PRC") with a postgraduate diploma. Ms. Jia joined the Group in 1999.

HUANG Wen Huei, aged 46, is the Vice President and the General Manager of the branch office in Taiwan, and responsible for facilitating and developing new business. Mr. Huang obtain the bachelor degree in chemical engineering at National Taiwan University, and the master's degree in business administration at FuJen Catholic University. He has over 19 years' experience in management of marketing, R&D, quality assurance and process technology. Mr. Huang joined the Group in 2004.

TSUI Siu Keung, aged 47, is the Vice President responsible for the product development as well as sales and marketing in global market. Mr. Tsui graduated from the Hong Kong Polytechnic University with a degree in manufacturing engineering. Mr. Tsui has over 21 years' experience in customer service management, sales and marketing. Mr. Tsui joined the Group in 2000.

YANG Zhao Hui, aged 49, is the Vice President responsible for the management of the factory's power system, production equipment, Capacitive Touch Panel ("CTP") and the Indium Tin Oxide ("ITO") glass production. He has extensive experience in LCD, ITO glass and CTP manufacturing, maintenance and management of automation equipment, process management of magnetic control spluttering coating and project management. Mr. Yang joined the Group in 2004.

XIE Wen Zhen, aged 50, is the Senior Manager responsible for the purchases of LCD, LCM and CTP and the material control. Ms. Xie graduated from Shaanxi University of Science & Technology with a Bachelor's Degree in Engineering. Ms. Xie joined in the Group in 2001.

XIE Hong Jun, aged 43, is the Senior Manager responsible for sales and marketing for certain areas in the PRC and overseas markets. Mr. Xie has 21 years' experience in LCD material control and marketing. Mr. Xie joined the Group in 2000.

XIONG Liang Bin, aged 47, is the Senior Manager responsible for Eastern China market and certain overseas markets. Mr. Xiong graduated from Nanjing Institute of technology. Mr. Xiong has 24 years experience in LCD and LCM manufacturing, quality control and marketing. Mr. Xiong has strong technical knowledge in Twisted Nematic ("TN"), Super-Twisted Nematic ("STN"), LCM, and TFT. Mr. Xiong joined the Group in 1996.

XU Xiu Yan, aged 42, is the Senior Manager mainly responsible for sales and marketing for overseas market. Ms. Xu graduated from Guangdong University of Foreign Studies with a bachelor's degree in Business Management. Ms. Xu has been working in the field of customer service management, sales and marketing for over 18 years. Ms. Xu joined the Group in 2002.

CHEN Chuan Hao, aged 45, is the Senior Manager responsible for sales and marketing in Japan and Taiwan. Mr. Chen graduated from the Japanese Department of National Chengchi University of Taiwan, and has extensive experience in handling high-demand Japanese customers. Mr. Chen joined the Group in 2009.

LIU Xiu Zhen, aged 53, is the Senior Manager responsible for the information technology, human resources and quality management of the LCD and LCM factories. Ms. Liu has broad experience in systematization of factory management, and holds the Certified Human Resources Professional, Grade 1. Ms. Liu graduated from Hua Zhong University of Science and Technology in PRC with a Bachelor's Degree in Engineering. Ms. Liu joined the Group in 1993.

YANG Ying Jun, aged 54, is the Senior Manager and the Chief Accountant of the Group. Mr. Yang has extensive experience in finance and accounting. He graduated from Xi'an University of Technology with a Bachelor's Degree. He is a member of both the Chinese Institute of Certified Public Accountants and the China Certified Tax Agents Association. He is an affiliate of the Association of Chartered Certified Accountants. Mr. Yang joined the Group in 2005.

WU Hong Jin, aged 52, is the Senior Manager responsible for the factory management in Guangxi province. Mr. Wu has 30 years experience in LCD industry. He graduated from South China Normal University. Mr. Wu joined the Group in 2013.

CHAIRMAN'S STATEMENT

Dear Shareholders,

I take pleasure in presenting to our shareholders the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2021.

The out-break of the Covid-19 and the continuous tension between China and United States have cast shadow over the global economy in the year under review. Nevertheless, the Group turnover recorded an increase of 10% from approximately HK$813 million to HK$892 million. The Group recorded an increase of the profit attributable to owners of the Company from approximately HK$124 million to HK$188 million, which was mainly contributed by the increase in the share of profits from associates.

During the year, the adoption of restrictive measures to contain the spread of Covid-19 has dampened the economic activities world-wide. The situation has been aggravated by the unstable supply and mounting costs of materials. Both the demand and supply chains of Liquid Crystal Display ("LCD") and Liquid Crystal Display Module ("LCM") have become vulnerable under this unprecedented operating environment. The overseas market has weakened to a great extent while the market in Mainland China has also softened, albeit to a lesser extent. The under utilization situation in the manufacturing sector entailed an intensive market price competition. The increase in manufacturing cost stemming from the appreciation of Renminbi has further eroded the profit margin for the core business in current year.

To combat the above mentioned situation, the Group has adopted dynamic pricing strategy to maintain our competitiveness and production efficiency enhancing measures to safeguard the profitability. We are also committed to expand our foothold in the Thin Film Transistor ("TFT") modules and Thin Film Transistor-Capacitive Touch Panel modules ("TFT-CTP") market. With the new production line installed to upgrade and expand the production facilities of the TFT modules and TFT-CTP modules, we are confident that the Group will continue its steady business growth from the existing well diversified customer base and also the emerging opportunities in the high-end market segment.

The Group’s share of profit of Nantong Jianghai Capacitor Company Ltd. (“Nantong Jianghai”), an approximately 31.5% owned associate of the Group, uplifted from HK$81 million to HK$154 million. The Group’s shareholding in Nantong Jianghai has been diluted from 31.7% to 31.5% as a result of the exercise of options granted to the employees of Nantong Jianghai under its staff share option scheme. With its strong established backbone based in aluminium electrolytic capacitors market, Nantong Jianghai has branched out into thin firm and super capacitors arena and gained coverage in the less cyclical industrial use market. Continued production expansion and technical upgrading of its aluminium electrolytic foil plant has established a cost comparative advantage and also secured a reliable supply of critical high quality raw materials internally.

The Group's share of profit in Suzhou QingYue Optoelectronics Technology Co., Ltd. (“Suzhou QingYue”, formerly known as Kunshan Visionox Technology Company Ltd.), a 35.1% owned associate, increased by HK$14 million to HK$31 million. Suzhou QingYue demonstrated a strong financial performance in the period under review. The Organic Light Emitting Diode (“OLED”) business continued to register satisfactory growth in high growth segments like the medical equipment, medical and health care products. Leveraging on its strong research and development team, Suzhhou QuinYue strives to expand its product line in order to broaden its revenue base. Recently, QuinYue has successfully launched e-paper modules to capture the growing demand in energy saving displays market, which is expected to a provide positive contribution in the near future.

The outbreak of Covid-19 has continued to cast uncertainties over the global economic growth, and the Group holds a prudent perspective on the business outlook. Nevertheless, the Group pledges to maintain high quality earnings by adopting aggressing marketing strategy in high value market and production optimization plans.

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

Fang Hung, Kenneth
Chairman

28th June 2021

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

The Group recorded a consolidated revenue for the year ended 31st March, 2021 of approximately HK$892 million (2020: HK$813 million), an increase of HK$79 million or 10% as compared with last year. Profit attributable to owners of the Company was HK$188 million (2020: HK$124 million), representing an increase of approximately HK$64 million. The increase in profit was mainly due to the increase in the share of profits of associates from HK$98 million to HK$182 million, a rise of 86% from last year.

The Covid-19 pandemic has given rise to unprecedented challenge in the business operating environment. Due to the worldwide protective measures implemented against the pandemic like social distancing and travel restriction, the global supply chain was unavoidably disrupted to a certain extent, The Group has taken swift and effective measures to resume our production in the shortest possible time frame and focus the marketing effort in the high growth market segment like medical equipment and electric meter. Sales of the Liquid Crystal Displays ("LCD") recorded an increase of 11% to HK$192 million. Sales of the Liquid Crystal Display Modules ("LCM") edged up from HK$543 million to HK$582 million mainly contributed by the increase in the sales of Thin Film Transitor modules ("TFT"). As a result of aggressive marketing, sales of Capacitive Touch Panel ("CTP") and TFT-CTP modules increased from HK$98 million to $117 million. Nevertheless, the profitability was lower due to (1) keen price competition arising from the oversupply situation; (2) the appreciation of RMB which increased the manufacturing costs; (3) underutilization of production capacity leading to under-absorption of factory overheads; and (4) the surge in certain material costs, in particular TFT panels and integrated circuits. Although the gross profit increased by 3% which was mainly contributed by the increase in revenue, the gross profit margin slided from 13% to 12%.

In the year under review, other income amounted to approximately HK$24 million (2020: HK$12 million) which mainly comprised the government subsidy of HK$11 million (2020: HK$1 million) and tooling income of HK$3 million (2020: HK$2 million).

Net gain of HK$1 million from other gains and losses for year was mainly attributable to the net effect of exchange loss of HK$18 million and the increase in fair value of financial assets at fair value through profit or loss ("FVTPL") of HK$20 million.

Selling and distribution expenses amounted to approximately HK$74 million (2020: HK$72 million). The increase of HK$2 million was mainly due to the increase in staff costs.

Administrative expenses was HK$27 million (2020: HK$28 million). The decrease of approximately HK$1 million was mainly due to the drop in traveling expense.

INVESTMENTS IN ASSOCIATES

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

Nantong Jianghai, a 31.5% owned associate of the Group, is mainly engaged in the manufacture and sales of aluminum electrolytic, thin film and super capacitors, and the production and sales of aluminum electrode foil for high-performance aluminum electrolytic capacitors.

The share of profit from Nantong Jianghai increased from HK$81 million to HK$154 million, representing an increase of HK$73 million or 90%. In the year under review, Nantong Jianghai delivered a remarkable financial performance mainly attributable to the following reasons:

1. The aluminium electrolytic capacitors exhibited a strong business growth with an increase in market share in the industrial-use segment which accounts for approximately 70% of its turnover. Aggressive marketing strategy targeting at high growth markets like medical equipment, telecommunication, new energy markets has borne fruits and enables Nantong Jianghai to strengthen its foothold in both the local and overseas market.

2. The thin film capacitors business underwent an optimization of production resulting in clear market positioning and product strategy. It has resulted in a solid progress in higher production capacity utilization, enhancement in production efficiency and market development.

3. The supercapacitor business has entered into a fast growth track. With the expansion of the production capacity in the new plant, its competitive advantage has enhanced and hence facilitates it to increase its market penetration in potential high growth markets like new energy, rail transportation and power grid, port equipment and machinery and electrical vehicle.

4. The plant in Hubei Province enables Nantong Jianghai to complement its market coverage from large size to small size capacitors and multilayer polymer capacitors ("MLPC"). Although the market development progress had been slowed down by the pandemic, the testing and customer approval process has resumed swiftly. The pilot run was smooth and the production volume was scaling up progressively. Alongside with the encouraging secular trends across its market coverage, the small size capacitors and MLPC will deliver promising organic business growth to Nantong Jianghai.

5. During the year Nantong Jianghai acquired a Japanese manufacturer which has provided a well-established research and development manufacturing base in high-end products overseas, and contributed positive financial results to Nantong Jianghai.

Investment in Suzhou QingYue Optoelectronics Technology Co., Ltd. ("Suzhou QingYue") (formerly known as Kunshan Visionox Technology Co. Ltd.)

The share of profit of Suzhou QingYue, a 35.1% owned associate engaged in the sales and production of Organic Light Emitting Diode ("OLED"), was approximately HK$31 million, an increase of HK$14 million from last year. Suzhou QingYue registered a strong sales growth largely because it has successfully captured a significant share in the medical and health care products to compensate for the shrinkage of the wearable markets. During the year, QingYue successfully opened up the e-paper modules market, which is expected to generate growth momentum in the future.

Investment in Zaozhuang Reinno Electronics Technology Co. Limited ("Zaozhuang Reinno") (formerly known as Zaozhuang Visionox Electronics Technology Co., Limited)

Zaozhuang Reinno, a 40% associate of the Group, is situated in the Shandong Province. It is mainly engaged in the manufacture and sales of flexible printed circuits ("FPC") and OLED related materials. The Group's share of loss in the current period amounted to HK$3 million (2020: HK$0.2 million), mainly due to a drop in government income. The business operation experienced a longer than expected product and market development progress which was the main reason of the operating loss incurred in current year.

INCOME TAX

Effective tax rate in relation to the Group's core business (income tax expenses excluding withholding tax on undistributed profits in associates as a percentage of profit before income tax excluding share of results of associates) was 18% (2020: 228%). The decrease in effective tax rate was largely due to the losses incurred by certain subsidiaries (in which no deferred tax assets have been recognized) and exchange losses incurred which were not deductible for tax purposes in last year.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of factors affecting the results and business operations of the Group. The most significant risk is the uncertainty in the economic environment, both globally and in Mainland China, amidst the outbreak of Covid-19 as well as the continuous tension between China and United States. Intense competition in the displays market will also affect the profitability of the Group. Moreover, the shortage of labour and increase in wage rate may also have an impact on the cost structure of the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

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

Details of the Group's strategies, efforts and performance with respect to environment, social and governance ("ESG") for the year ended 31st March, 2021 are set out in the Group's ESG Report, which will be uploaded onto the websites of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company in due course.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

RELATIONSHIP WITH KEY STAKEHOLDERS

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

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

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

Management believes that the above objectives will help enhancing the value of the Company for its shareholders.

PROSPECTS

Amidst the uncertainties in the recovery from the pandemic alongside with the continuous tension between China and United States, the Group is committed to face and tackle with the upcoming challenges. The Group will accentuate the product and market development of LCM, TFT and TFT-CTP module. With the installation of new TFT modules production line, not only will our production capacity be expanded but also the product quality be upgraded to well position ourselves to capture more market shares in the high end market segment. On the other hand, it is expected that Nantong Jianghai and Suzhou QingYue will continue to yield solid financial results and deliver promising profit contribution to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March 2021, the Group's current ratio was 2.0 (31st March, 2020: 2.3). The gearing ratio, as a ratio of bank borrowings to net worth, was 0.2% (31st March, 2020: 0.2%).

As at 31st March 2021, the Group had total assets of approximately HK$2,532 million, which were financed by liabilities of HK$374 million and total equity of HK$2,158 million.

As at 31st March 2021, the Group's banking facilities amounted to approximately HK$189 million (31st March, 2020: HK$163 million) of which approximately HK$4 million (31st March, 2020: HK$4 million) were utilized mainly for issuance of letters of credit, short term loan and bills payable.

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

CONTINGENT LIABILITIES AND CHARGES OF ASSETS

The Group did not have any significant contingent liabilities and there were no significant charges or pledges on any of the Group's assets as at 31st March, 2021.

EMPLOYMENT AND REMUNERATION POLICY

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

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

MAJOR CUSTOMERS AND SUPPLIERS

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

	2021	2020
Percentage of purchases from the Group's largest supplier	**6%**	6%
Percentage of purchases from the Group's five largest suppliers	**18%**	19%
Percentage of turnover to the Group's largest customer	**4%**	3%
Percentage of turnover to the Group's five largest customers	**12%**	12%

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

As at 31st March, 2021, to the best knowledge of the Directors, none of the Directors or any shareholders holding more than 5% of the Group's share capital and their respective associates had any beneficial interest in the Group's five largest customers and/or five largest suppliers.

DIVIDEND

The board of directors of the Company (the "Board") has resolved to recommend the payment of a final dividend of HK2 cents (2020: HK5 cents) per share for the year ended 31st March, 2021 subject to the approval of the shareholders of the Company (the "Shareholders") at the forthcoming annual general meeting. The final dividend will be paid on or about Friday, 8th October, 2021 to Shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 21st September, 2021.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Friday, 10th September, 2021 ("Annual general Meeting"). For determining the entitlement to attend and vote at the Annual general Meeting, the register of members of the Company will be closed from Tuesday, 7th September, 2021 to Friday, 10th September, 2021, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 6th September, 2021.

The proposed final dividend is subject to the approval of the Shareholders at the Annual General Meeting. For determining the entitlement to the proposed final dividend the register of members of the Company will be closed on Friday, 17th September, 2021 to Tuesday, 21st September, 2021, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, for registration not later than 4:30 p.m. on Thursday, 16th September, 2021.

PLAN TO REPURCHASE COMPANY'S SHARES

As the Board is of the view that the current trading price of the shares of the Company does not reflect their intrinsic value, it intends to exercise its powers to buy back the shares (the "Share Buy-back") in the open market under the general mandate (the "Repurchase Mandate") to buy back shares granted by the shareholders of the Company at the annual general meeting held on 10th September, 2020 (the "2020 AGM"). According to the Repurchase Mandate, the Company is allowed to buy back a maximum of 99,964,117 shares, being 10% of the total number of issued shares as at the date of the 2020 AGM. The Board believes the Share Buy-back and subsequent cancellation of the repurchased shares can enhance the value of the shares and lead to an enhancement of the return to shareholders of the Company. In addition, the Board believes that the Share Buy-back reflects the Company's confidence in its long term business prospects for the benefit of the Company and its shareholders as a whole.

The exercise of the Repurchase Mandate by the Company will be subject to market conditions and will be at the absolute discretion of the Board. Accordingly, there is no assurance of the timing, quantity or price of any buy backs. In any event, as disclosed in the explanatory statement in respect of the Repurchase Mandate included in the Company's circular dated 30th July 2020, the Board does not intend to exercise the Repurchase Mandate to the extent that would (i) have a material adverse impact on the working capital requirements or gearing ratio of the Company; or (ii) give rise to any obligation to make any mandatory offer under the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs; or (iii) result in the number of shares held by the public falling below the minimum percentage prescribed by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

CORPORATE GOVERNANCE PRACTICES

The Board believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained. Throughout the year ended 31st March, 2021, the Company has applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code") listed out in Appendix 14 of the Listing Rules, except for following deviation:

Under Code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. Previously Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both Independent Non-executive Directors of the Company, are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the provision of the bye-laws of the Company. On 29th March, 2021, each of Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian signed a letter of appointment with the Company pursuant to which each of them was appointed as an Independent Non-executive Director for a term of three years ending on 28th March, 2024, subject to retirement by rotation, Code provision A.4.1 has since been fully complied with.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the year ended 31st March, 2021.

BOARD OF DIRECTORS

The Board comprises:

Executive Directors

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

Non-executive Director

Mr. Fang Yan Tak, Douglas *(Vice Chairman)*
Mr. Chen Shuang, JP (re-designated from Independent Non-executive Director on 7th December, 2020)

Independent Non-executive Directors

Mr. Chu Chi Wai, Allan
Mr. Lau Yuen Sun, Adrian
Prof. Lau Kei May (appointed on 29th March, 2021)

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

The Independent Non-executive Directors possess appropriate professional qualifications or accounting or related financial management expertise. Having made specific enquiry with all Independent Non-executive Directors, all such Directors confirmed that they have met the criteria of Rule 3.13 of the Listing Rules regarding the guidelines for assessment of independence. The biographical details of the Directors are set out in pages 3 and 4 of this Annual Report.

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

Name of Directors	Number of Meetings Attended/ Entitled to Attend
Mr. Fang Hung, Kenneth	4/4
Mr. Li Kwok Wai, Frankie	4/4
Mr. Leung Tze Kuen	4/4
Mr. Fang Yan Tak, Douglas	3/4
Mr. Chen Shuang	4/4
Mr. Chu Chi Wai, Allan	4/4
Mr. Lau Yuen Sun, Adrian	4/4
Prof. Lau Kei May	0/0

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

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

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

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

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

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

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

Chairman and Chief Executive Officer

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

Nomination of Directors

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

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

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

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

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

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

Appointment and Re-election of Directors

Code provision A.4.1 of the Code stipulates that non-executive directors should be appointed for a specific term and subject to re-election. Previously, Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both Independent Non-executive Directors, are not appointed for a specific term, but subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the bye-laws of the Company (the "Bye-laws"). On 29th March, 2021, each of Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian signed a letter of appointment with the Company pursuant to which each of them was appointed as an Independent Non-executive Director for a term of three years ending on 28th March, 2024, subject to retirement by rotation. According to the Bye-laws, at each annual general meeting of the Company one third of the Directors for the time being (and if the number of Directors is not three or a multiple of three, then the number nearest to but not less than one third) shall retire by rotation. This complies with the provision A.4.2 of the Code which requires all Directors to be subject to retirement by rotation at least once every three years.

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

BOARD COMMITTEES

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

Nomination Committee

The Nomination Committee was established on 24th November, 2011. The Committee comprises Mr. Li Kwok Wai, Frankie, Executive Director and Chief Executive Officer, and Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both Independent Non-executive Directors. Mr. Chu Chi Wai, Allan was appointed as Chairman of the Nomination Committee. The terms of reference stipulating the authority and duties of the Nomination Committee conform to the provisions of the Code and are posted on the websites of the Stock Exchange and the Company.

The Nomination Committee shall meet at least once a year. Two meetings were held during the year ended 31st March, 2021. All the Committee members attended the meetings.

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

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

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

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

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

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

Remuneration Committee

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

The Remuneration Committee shall meet at least once a year. Three meetings were held during the year. All the Committee members attended the meetings.

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

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

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

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

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

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

Pursuant to Code provision B.1.5, details of the annual remuneration of the members of the senior management by band for the year ended 31st March, 2021 are as follows:

	Number of employees
Below HK$1,000,000	13
Total:	13

Details of the remuneration of each Director for the year ended 31st March, 2021 are set out in note 12 to the financial statements.

Audit Committee

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

The Audit Committee shall meet at least twice a year. Two meetings were held during the year. All the Committee members attended the meetings.

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

(i) reviewed the financial reports for the year ended 31st March, 2020 and for the six months ended 30th September, 2020;

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

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

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

(v) reviewed and approved the scope and fees of the audit for the year ended 31st March, 2021.

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

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

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

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

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

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

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

AUDITORS' REMUNERATION

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

Services rendered	**Fees paid and payable** *HK$*
Audit services	2,680,000
Non audit services	1,354,000
	4,034,000

Internal Controls and Risk Management

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

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

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

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

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

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

ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st March, 2021, the Directors have selected suitable accounting policies and have applied them consistently, adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards which are pertinent to its operations and relevant to the financial statements, made judgments and estimates that are prudent and reasonable, and have prepared the accounts on the going concern basis. The statement of the external auditor about its reporting responsibilities on the consolidated financial statements is set out in the independent auditor's report on pages 33 to 38 of this Annual Report.

DIVIDEND POLICY

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

COMMUNICATION WITH SHAREHOLDERS

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

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. Except for Mr. Fang Yan Tak, Douglas, Non-executive Director and Vice Chairman, who was engaged in other pre-arranged business commitments, all the then Directors attended the Company's 2020 annual general meeting and were available to answer shareholders' questions.

At the Company's 2020 annual general meeting, all votings were conducted by poll in accordance with the requirements of the Listing Rules.

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

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

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

MEMORANDUM OF ASSOCIATION AND BYE-LAWS

During the year ended 31st March, 2021, the Company has not made any amendment to its memorandum of association and bye-laws.

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

COMPANY SECRETARY

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

During the year ended 31st March, 2021, Mr Lau has taken no less than 15 hours of relevant professional training to update his skills and knowledge.

DIRECTORS' REPORT

The directors present their annual report and the audited consolidated financial statements for the year ended 31st March, 2021.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries and associates are set out in notes 40 and 19, respectively, to the consolidated financial statements.

BUSINESS REVIEW

A fair review of the Group's business and the analysis of the Group's performance for the year ended 31st March, 2021 as well as outlook/prospects of the Group's business are provided in the sections "Chairman's Statement" on pages 6 and 7 and "Management Discussion and Analysis" on pages 8 to 14 of this Annual Report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2021 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 39 to 40.

The directors now recommend the payment of a final dividend of HK2 cents per ordinary share to the shareholders on the register of members on Tuesday, 21st September, 2021, amounting to approximately HK$19,993,000, and the retention of the remaining profit. The proposed final dividend has to be approved in the forthcoming annual general meeting of the Company to be held on Friday, 10th September, 2021.

PROPERTY, PLANT AND EQUIPMENT

During the year, the Group acquired property, plant and equipment at a cost of approximately HK$59,195,000. Details of this and other movements in the property, plant and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

There have been no movements in the share capital of the Company during the year ended 31st March, 2021.

RESERVES

Details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity on pages 43 and 44.

The Company's reserve available for distribution to shareholders as at 31st March, 2021 were as follows:

	2021	2020
	HK$'000	*HK$'000*
Contributed surplus	**49,259**	49,259
Retained profits	**69,364**	98,788
	118,623	148,047

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

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

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

DIRECTORS

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

Executive directors:

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

Non-executive director:

Mr. Fang Yan Tak, Douglas
Mr. Chen Shuang (re-designated from Independent Non-executive Director on 7th December, 2020)

Independent non-executive directors:

Mr. Chu Chi Wai, Allan
Mr. Lau Yuen Sun, Adrian
Prof. Lau Kei May (appointed on 29th March, 2021)

In accordance with Clause 86 and 87 of the Company's Bye-Laws, Mr. Leung Tze Kuen, Mr. Fang Yan Tak, Douglas, Mr. Chu Chi Wai, Allan and Prof. Lau Kei May will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election at such meeting.

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

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

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

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

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES IN SECURITIES

At 31st March, 2021, the interests and short positions of the directors and chief executives and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

(A) Long position in the shares of the Company

	Number of shares and nature of interests			
	Personal interests	Through controlled corporations	Total	Percentage of Company's issued capital
Mr. Fang Hung, Kenneth	20,130,000	–	20,130,000	2.01%
Mr. Li Kwok Wai, Frankie *(Note(i))*	144,402,381	570,000,000	714,402,381	71.47%
Mr. Leung Tze Kuen *(Note(ii))*	2,460,000	–	2,460,000	0.25%

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

Fang Brothers Holdings Limited ("Fang Brothers") *(Note(iii))*

	Number of shares and nature of interests			
	Personal interests	Spouse interests	Total	Percentage of issued capital of Fang Brothers
Mr. Fang Hung, Kenneth	800,000	15,200,000	16,000,000	20.00%
Mr. Fang Yan Tak, Douglas	16,000,000	–	16,000,000	20.00%

Notes:

(i) As at 31st March, 2021, Antrix Investment Limited ("Antrix") held 570,000,000 shares of the Company. Mr Li Kwok Wai, Frankie beneficially owned 41.70%, of the issued share capital of Antrix.

(ii) The 2,460,000 shares represent shares which were granted under the share award scheme of the Company. They are subject to the satisfactory fulfilment of vesting conditions and 64,000 shares were vested.

(iii) As at 31st March 2021, Fang Brothers beneficially owned 58.30% of the issued share capital of Antrix.

Save as disclosed above, as at 31st March, 2021, none of the directors, the chief executive or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN CONTRACTS

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

PERMITTED INDEMNITY PROVISION

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31st March, 2021, none of the directors of the Company or any of Company's subsidiaries, or their respective associates had interests in businesses, other than being a director of the Company and/or its subsidiaries and their respective associates, which compete or are likely to compete, either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

REMUNERATION FOR DIRECTORS

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

CHANGES IN INFORMATION OF DIRECTORS

Set out below the changes in information of directors subsequent to the publication of the Company's 2020/21 Interim Report required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules.

Mr. Chen Shuang was appointed as an Independent Non-executive Director, a member and Chairman of the remuneration committee, and a member of both the nomination committee and the audit committee of Shanghai Zendai Property Limited, a company listed on the Stock Exchange (stock code: 755), on 11th January, 2021.

RELATED PARTY TRANSACTIONS

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

The Company has complied with disclosure requirements in accordance with Chapter 14A of the Listing Rules for the year ended 31st March, 2021.

SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2021, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that the following shareholders had notified the Company of relevant interests and short positions in the issued share capital of the Company:

Long position in the shares of the Company

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

Note:

As at 31st March, 2021, Antrix Investment Limited was held as to 58.3% by Esca Investment Limited (a company wholly-owned by Fang Brothers Holdings Limited in which none of its shareholders holds more than 20% of its issued capital) and 41.7% by Megastar Venture Limited (a company wholly-owned by Mr Li Kwok Wai, Frankie). The shares held by Esca Investment Limited, Megastar Venture Limited and Fang Brothers Holdings Limited represent the same interest held by Antrix Investment Limited, which have also been disclosed as an interest of Mr Li Kwok Wai, Frankie under the section "Interests of Directors and Chief Executive in Securities".

Save as disclosed above, as at 31st March, 2021, the Company was not notified by any persons who had interests or short positions of 5% or more in the shares and underlying shares of the Company which is required to be recorded under Section 336 of the SFO.

EMOLUMENT POLICY

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

PRE-EMPTIVE RIGHTS

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

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st March, 2021.

CORPORATE GOVERNANCE

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

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2021.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Fang Yan Tak, Douglas, Non-executive Director and Vice Chairman; and Mr. Chu Chi Wai, Allan and Mr. Lau Yuen Sun, Adrian, both Independent Non-executive Directors. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters, including the review of the financial statements of the Group for the year ended 31st March, 2021.

AUDITOR

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

On behalf of the Board

Li Kwok Wai, Frankie
Chief Executive Officer

Hong Kong
28th June, 2021

Deloitte. 德勤

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

OPINION

We have audited the consolidated financial statements of Yeebo (International Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 39 to 139, which comprise the consolidated statement of financial position as at 31st March, 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter
Valuation of trade receivables	
We identified valuation of trade receivables as a key audit matter due to the involvement of management's estimates in evaluating the allowance of credit losses of the Group's trade receivables at the end of the reporting period. As at 31st March, 2021, the Group's carrying amount of trade receivables is HK$175,518,000 (net of allowance for credit losses of HK$16,164,000) and out of these trade receivables of HK$49,658,000 were past due. As disclosed in note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime expected credit losses ("ECL") of trade receivables based on individual assessment for those debtors with credit-impaired and/or collective assessment through grouping of various debtors that have similar loss patterns, after considering ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and forward-looking information. As disclosed in notes 11 and 32 to the consolidated financial statements, the Group recognised an additional amount of HK$2,924,000 of impairment of trade receivables, net of reversals, for the year end 31st March, 2021.	Our procedures in relation to valuation of trade receivables included: • Understanding the key process on how the management of the Group estimates the allowance of credit losses of trade receivables; • Challenging management's basis in determining credit loss allowance on trade receivables as at 31st March, 2021, including their basis of identification of credit-impaired trade receivables, the reasonableness of management's grouping of the trade debtors into different credit risk categories in the collective assessment basis, and the basis of estimated loss rates applied in each category in the collective assessment basis (with reference to historical default rates and forward-looking information); • Testing the accuracy of ageing category of trade receivables aging analysis as at 31st March, 2021 to develop the collective assessment basis, on a sample basis, by comparing individual items in the aging analysis with the relevant supporting documents including sales invoices and delivery documents; and • Testing subsequent settlements of trade receivables, on a sample basis, by inspecting supporting documents in relation to cash receipt from trade debtors subsequent to the end of the reporting period.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of inventories	
We identified the valuation of inventories as a key audit matter due to the use of estimates by the management of the Group in identifying obsolete or slow-moving inventories and determining the allowance for inventories. As set out in note 4 to the consolidated financial statements, the management of the Group is required to exercise estimates to identify obsolete or slow-moving inventories and determine the allowance for inventories at the end of the reporting period. The management of the Group reviews the usability and saleability of inventories taking into account the nature of inventories, prevailing market conditions, ageing categories and subsequent usages/sales. Where the inventories are determined to be obsolete or slow-moving inventories, the management of the Group determines the allowance for inventories primarily based on the estimated net realisable value. During the year, the Group recognised allowance for inventories, net of reversal, amounting to HK$3,095,000. As at 31st March, 2021, the carrying amount of inventories is HK$197,492,000 (net of allowance for inventories of HK$51,213,000).	Our procedures in relation to assessing the valuation of inventories include: • Understanding the Group's policy in identification of obsolete or slow-moving inventories and measurement of the allowance for inventories; • Performing physical observation of the inventories to identify inventories, on a sample basis, that may be required to be included in the assessment of the allowance for inventories; • Testing the accuracy of the inventory ageing report; • Testing the net realisable values of inventories against the carrying amounts by reference to latest selling prices in recent sales or the market prices, on a sample basis; and • Discussing with the management of the Group the assumptions and estimation made in assessing net realisable values and evaluating the reasonableness of management's assessment of usability and saleability of inventories.

OTHER INFORMATION

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Lam, Lawrence.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28th June, 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31st March, 2021

	NOTES	2021 HK$'000	2020 HK$'000
Revenue	5	**891,969**	813,153
Cost of sales		**(782,754)**	(707,383)
Gross profit		**109,215**	105,770
Other income	7	**24,271**	11,904
Other gains and losses	8	**630**	(16,069)
Selling and distribution expenses		**(73,820)**	(72,207)
Administrative expenses		**(27,477)**	(27,695)
Finance costs	9	**(510)**	(459)
		32,309	1,244
Items that are relevant to associates:			
Share of results of associates	19	**182,357**	98,308
Other income related to an associate	19	**–**	46,637
		182,357	144,945
Profit before income tax		**214,666**	146,189
Income tax expense	10	**(16,656)**	(8,647)
Profit for the year	11	**198,010**	137,542
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Share of other comprehensive income of associates, net of related income tax	19	**12,269**	4,391
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operations:			
Subsidiaries		**40,927**	3,522
Associates		**121,483**	(89,662)
Total comprehensive income for the year		**372,689**	55,793
Profit for the year attributable to:			
Owners of the Company		**187,734**	123,822
Non-controlling interests		**10,276**	13,720
		198,010	137,542

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 31st March, 2021

	NOTE	**2021** ***HK$'000***	2020 *HK$'000*
Total comprehensive income attributable to:			
Owners of the Company		**359,526**	43,549
Non-controlling interests		**13,163**	12,244
		372,689	55,793
		HK cents	*HK cents*
Earnings per share			
– basic	*15*	**19.1**	12.5
– diluted	*15*	**19.0**	12.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2021

	NOTES	2021 HK$'000	2020 HK$'000
Non-current assets			
Property, plant and equipment	16	**247,044**	219,936
Right-of-use assets	17	**10,064**	9,164
Investment properties	18	**1,177**	1,378
Prepayments for acquisition of property, plant and equipment		**9,347**	14,412
Interests in associates	19	**1,644,271**	1,364,423
Financial assets at fair value through profit or loss ("FVTPL")	20	**22,303**	2,739
Intangible assets	21	**1,459**	1,459
		1,935,665	1,613,511
Current assets			
Inventories	22	**197,492**	111,450
Trade and other receivables	23	**256,659**	170,129
Amounts due from associates	19	**–**	31
Financial assets at FVTPL	20	**–**	5,662
Bank balances and cash	24	**142,184**	230,626
		596,335	517,898
Current liabilities			
Trade and other payables	25	**252,110**	203,318
Contract liabilities	26	**14,938**	7,487
Derivative financial instruments		**1,043**	–
Tax payable		**16,359**	10,071
Bank borrowings	27	**4,205**	4,022
Lease liabilities	28	**4,458**	3,928
		293,113	228,826
Net current assets		**303,222**	289,072
Total assets less current liabilities		**2,238,887**	1,902,583

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March, 2021

	NOTES	2021 HK$'000	2020 HK$'000
Non-current liabilities			
Deferred tax liabilities	*29*	**75,084**	58,801
Lease liabilities	*28*	**6,121**	5,598
		81,205	64,399
		2,157,682	1,838,184
Capital and reserves			
Share capital	*30*	**199,928**	199,928
Reserves		**1,903,457**	1,605,532
Equity attributable to owners of the Company		**2,103,385**	1,805,460
Non-controlling interests		**54,297**	32,724
Total equity		**2,157,682**	1,838,184

The consolidated financial statements on pages 39 to 139 were approved and authorised for issue by the Board of Directors on 28th June, 2021 and are signed on its behalf by:

Fang Hung, Kenneth
DIRECTOR

Li Kwok Wai, Frankie
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Capital reserve *(note i)* HK$'000	Capital redemption reserve HK$'000	Translation reserve HK$'000	Share award reserve HK$'000	Shares held for share award scheme HK$'000	PRC statutory reserve *(note ii)* HK$'000	Other reserve *(note iii)* HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1st April, 2019	199,928	110,750	2,125	10,132	23,465	6,521	(15,910)	12,608	(3,504)	1,574,486	1,920,601	23,665	1,944,266
Profit for the year	–	–	–	–	–	–	–	–	–	123,822	123,822	13,720	137,542
Other comprehensive expense for the year													
Share of other comprehensive income of an associate,net of related income tax	–	–	–	–	–	–	–	–	4,391	–	4,391	–	4,391
Exchange differences arising on the translation of foreign operations	–	–	–	–	(84,664)	–	–	–	–	–	(84,664)	(1,476)	(86,140)
Total comprehensive (expense) income for the year	–	–	–	–	(84,664)	–	–	–	4,391	123,822	43,549	12,244	55,793
Shares purchased for share award scheme	–	–	–	–	–	–	(6,484)	–	–	–	(6,484)	–	(6,484)
Recognition of equity-settled share-based payment expenses under share award scheme *(note 35)*	–	–	–	–	–	4,211	–	–	–	–	4,211	–	4,211
Shares vested under share award scheme *(note 35)*	–	–	–	–	–	(1,647)	(56)	–	–	1,703	–	–	–
Transfer of reserves	–	–	–	–	–	–	–	223	–	(223)	–	–	–
Dividend to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(3,148)	(3,148)
Dividends recognised as a distribution *(note 14)*	–	–	–	–	–	–	–	–	–	(146,671)	(146,671)	–	(146,671)
Release of non-controlling interests upon disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	(37)	(37)
Share of other equity movement in interest in an associate	–	–	–	–	–	–	–	–	(9,746)	–	(9,746)	–	(9,746)
At 31st March, 2020	199,928	110,750	2,125	10,132	(61,199)	9,085	(22,450)	12,831	(8,859)	1,553,117	1,805,460	32,724	1,838,184

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, 2021

	Attributable to owners of the Company												
	Share capital HK$'000	Share premium HK$'000	Capital reserve *(note i)* HK$'000	Capital redemption reserve HK$'000	Translation reserve HK$'000	Share award reserve HK$'000	Shares held for share award scheme HK$'000	PRC statutory reserve *(note ii)* HK$'000	Other reserve *(note iii)* HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total HK$'000
Profit for the year	–	–	–	–	–	–	–	–	–	187,734	187,734	10,276	198,010
Other comprehensive income for the year													
Share of other comprehensive income of an associate,net of related income tax	–	–	–	–	–	–	–	–	11,581	–	11,581	688	12,269
Exchange differences arising on the translation of foreign operations	–	–	–	–	160,211	–	–	–	–	–	160,211	2,199	162,410
Total comprehensive income for the year	–	–	–	–	160,211	–	–	–	11,581	187,734	359,526	13,163	372,689
Shares purchased for share award scheme	–	–	–	–	–	–	(5,535)	–	–	–	(5,535)	–	(5,535)
Recognition of equity-settled share-based payment expenses under share award scheme *(note 35)*	–	–	–	–	–	2,736	–	–	–	–	2,736	–	2,736
Shares vested under share award scheme *(note 35)*	–	–	–	–	–	(602)	716	–	–	(114)	–	–	–
Transfer of reserves	–	–	–	–	–	–	–	2,135	–	(2,135)	–	–	–
Acquisition of additional interests in a subsidiaries	–	–	–	–	–	–	–	–	(9,671)	–	(9,671)	9,671	–
Dividend to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(1,261)	(1,261)
Dividends recognised as a distribution *(note 14)*	–	–	–	–	–	–	–	–	–	(49,131)	(49,131)	–	(49,131)
At 31st March, 2021	199,928	110,750	2,125	10,132	99,012	11,219	(27,269)	14,966	(6,949)	1,689,471	2,103,385	54,297	2,157,682

Notes:

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

(ii) In accordance with the Company Law of the People's Republic of China ("PRC"), domestic enterprises in the PRC are required to transfer 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC ("PRC GAAP"), to the statutory surplus reserve until such reserve balance reaches 50% of the registered capital of the respective PRC subsidiaries.

(iii) The other reserve of the Group mainly represents: (a) the share of other comprehensive income of the interests in associates; and (b) an amount of HK$9,671,000 being the difference between the amount by which the non-controlling interests are adjusted and the consideration paid arising from the acquisition of additional interest in subsidiaries during the year ended 31st March, 2021.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2021

	2021 HK$'000	2020 HK$'000
Operating activities		
Profit before income tax	**214,666**	146,189
Adjustments for:		
Share of results of associates	**(182,357)**	(98,308)
Waiver of dividend from an associate	**–**	18,730
Finance costs	**510**	459
Interest income	**(1,832)**	(2,493)
Depreciation of property, plant and equipment	**48,849**	45,739
Depreciation of right-of-use assets	**4,427**	3,987
Depreciation of investment properties	**201**	201
Recognition of equity-settled share-based payment expenses under share award scheme	**2,736**	4,211
Net loss on disposal and written off of property, plant and equipment	**851**	4,798
Gain on disposal of a subsidiary	**–**	(32)
Allowance for credit losses on trade receivables, net	**2,924**	788
(Gain) loss on fair value changes of financial assets at FVTPL	**(19,564)**	60
Loss on fair value changes of derivative financial instruments	**1,043**	–
Recognition of allowance for inventories	**3,095**	2,893
Gain on deemed disposal of an associate	**(1,409)**	–
Unrealised exchange loss	**5,351**	–
Operating cash flows before movements in working capital	**79,491**	127,222
(Increase) decrease in inventories	**(77,884)**	33,529
(Increase) decrease in trade and other receivables	**(48,434)**	38,356
Decrease (increase) in financial assets at FVTPL	**5,662**	(4,052)
Increase (decrease) in trade and other payables	**43,290**	(78,784)
Increase (decrease) in contract liabilities	**7,330**	(5,814)
Cash generated from operations	**9,455**	110,457
Income tax refund (paid)	**2,436**	(13,693)
Net cash from operating activities	**11,891**	96,764

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31st March, 2021

	2021	2020
	HK$'000	*HK$'000*
Investing activities		
Loan/advance of loan receivables	**(30,457)**	(33,872)
Repayment of loan receivables	**708**	33,872
Prepayment for acquisition of plant and equipment	**(8,625)**	(14,412)
Purchase of property, plant and equipment	**(44,783)**	(26,795)
Dividend received from associates, net of withholding tax	**35,836**	22,446
Repayments from associates	**31**	20
Proceeds from disposals of property, plant and equipment	**317**	428
Proceeds on disposal of financial asset at FVTPL	**–**	54
Proceeds on disposal of a subsidiary	**–**	96
Interest income received	**1,133**	2,493
Net cash used in investing activities	**(45,840)**	(15,670)
Financing activities		
Dividends paid	**(49,131)**	(146,671)
Repayment of bank borrowings	**(23,179)**	–
Payment for purchase of shares for share award scheme	**(5,535)**	(6,484)
Repayment of lease liabilities	**(5,235)**	(3,625)
Dividend paid to non-controlling interests	**(2,174)**	(2,235)
Interest paid	**(510)**	(459)
New bank borrowings raised	**23,259**	4,087
Net cash used in financing activities	**(62,505)**	(155,387)
Net decrease in cash and cash equivalents	**(96,454)**	(74,293)
Effect of changes in foreign exchange rates	**8,012**	(13,204)
Cash and cash equivalents at beginning of the year	**230,626**	318,123
Cash and cash equivalents at end of the year, represented by bank balances and cash	**142,184**	230,626

1. GENERAL

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

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

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 1st April, 2020 for the preparation of the financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*.

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

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

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The amendments in the current year had no impact on the consolidated financial statements of the Group but may impact future periods should the Group make any acquisition.

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

Amendments to HKFRSs that are mandatorily effective for the current year (Continued)

Impacts on early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions

The Group has applied the amendment for the first time in the current year. The amendment introduces a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30th June, 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of the amendment had no impact to the opening retained profits at 1st April, 2020.

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

New and amendments to HKFRSs issued but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments[4]
Amendments to HKFRS 3	Reference to the Conceptual Framework[3]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2[1]
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[4]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[4]
Amendments to HKAS 8	Definition of Accounting Estimates[4]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[4]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[3]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020[3]

1 Effective for annual periods beginning on or after 1st January, 2021
2 Effective for annual periods beginning on or after 1st April, 2021
3 Effective for annual periods beginning on or after 1st January, 2022
4 Effective for annual periods beginning on or after 1st January, 2023
5 Effective for annual periods beginning on or after a date to be determined

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

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

New and amendments to HKFRSs issued but not yet effective (Continued)

Amendments to HKFRS 3 Reference to the Conceptual Framework

The amendments:

- update a reference in HKFRS 3 Business Combinations so that it refers to the *Conceptual Framework for Financial Reporting 2018* issued in June 2018 (the "*Conceptual Framework*") instead of *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting 2010* issued in October 2010);

- add a requirement that, for transactions and other events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, an acquirer applies HKAS 37 or HK(IFRIC)-Int 21 instead of the *Conceptual Framework* to identify the liabilities it has assumed in a business combination; and

- add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

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

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:

  (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and

  (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

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

New and amendments to HKFRSs issued but not yet effective (Continued)

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (Continued)

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31st March, 2021, the application of the amendments will not result in reclassification of the Group's liabilities.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation of consolidated financial statements

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of preparation of consolidated financial statements (Continued)

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

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

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

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

3.2 Significant accounting policies

Basis of consolidation

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Basis of consolidation (Continued)

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

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* ("HKFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Business combinations or asset acquisitions

Optional concentration test

Effective from 1st April, 2021, the Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

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

Business combinations

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

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Framework for the Preparation and Presentation of Financial Statements* (replaced by the *Conceptual Framework for Financial Reporting* issued in October 2010).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Interests in associates

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

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

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

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Interests in associates (Continued)

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

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

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

Revenue from contracts with customers

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Revenue from contracts with customers (Continued)

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

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

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

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

Contract costs

Incremental costs of obtaining a contract

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease components.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of rented premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities, other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

Except of Covid-19-related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessee (Continued)

Lease modifications (Continued)

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30th June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

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

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

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Retirement benefit costs

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Short-term and other long-term employee benefits

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

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

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Equity-settled share-based payment transactions

Share granted to employees

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

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all-non market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share award reserve). At the end of the reporting period, the Group revises its estimates of the number of shares that are expected to ultimately vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the estimates, if any, is recognised in profit or loss with a corresponding adjustment to the share award reserve.

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

When the trustee transfers the Company's shares to grantees upon vesting, the related costs of the granted shares vested are reversed from shares held for share award scheme. Accordingly, the related expense of the granted shares vested is reversed from the share award reserve. The difference arising from this transfer is debited/credited to retained profits.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under “other income”.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before income tax” as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Taxation (Continued)

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

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

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

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Property, plant and equipment

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Investment properties

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

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

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

Intangible assets

Intangible assets acquired separately

Club memberships with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Research and development expenditure

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

Derecognition of intangible assets

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). Intangible assets with indefinite useful lives is tested for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Impairment of property, plant and equipment, right-of-use assets and intangible assets (Continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

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

Inventories

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments

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

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

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

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

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

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

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

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term;

- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

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

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

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

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, loan receivables, other receivables and deposits, amounts due from associates and bank balances) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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

The Group always recognises lifetime ECL for trade receivables.

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

(i) Significant increase in credit risk

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(i) Significant increase in credit risk (Continued)

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

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

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

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

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

(v) Measurement and recognition of ECL

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

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

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

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

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

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

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

Derecognition of financial assets

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

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Significant accounting policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Derecognition of financial liabilities

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying accounting policies

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

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

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

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

Deferred tax on investments in associates

For the purposes of measuring deferred tax liabilities on investments in associates, the management of the Group considered the tax consequences associated with the expected manner of recovery of the carrying amount of the investment. Different tax rates are applied for measuring the temporary difference between the carrying amount and tax base of investment in associates for the recovery of investment through receiving dividend income or selling the investment. The directors of the Company assessed that the temporary difference is to be recovered through dividend income and/or through sale, and accordingly, deferred tax liabilities of HK$73,173,000 (2020: HK$58,925,000) was recognised by applying different tax rates in accordance with the expected manner of recovery.

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

Key sources of estimation uncertainty

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

Allowance for credit losses of trade receivables

Trade receivable with credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using collective assessment. The provision rates are based on ageing, repayment history and/or past due status of respective trade receivables as groupings of various debtors taking into consideration the Group's historical default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

As at 31st March, 2021, the Group's carrying amount of trade receivables is HK$175,518,000 (net of allowance for credit losses of HK$16,164,000) (2020: HK$123,625,000 (net of allowance for credit losses of HK$12,259,000)) and out of these trade receivables of HK$49,658,000 (2020: HK$44,382,000) were past due.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables is disclosed in notes 23 and 32.

Allowance for inventories

The Group manufactures and sells LCDs and LCMs products and the valuation of the inventories is subject to fluctuation of market prices. When there is a downward trend in the market, the selling price of the LCDs and LCMs products of the Group may decrease which imposes pressures on the net realisable values of inventories. The management of the Group is required to exercise judgement and estimates to identify obsolete or slow-moving inventories and determine the allowance for inventories at the end of the reporting period. The management of the Group reviews the usability and saleability of inventories taking into account the nature of inventories, prevailing market conditions, ageing categories and subsequent usages/sales. Where the inventories are determined to be obsolete or slow-moving inventories, the management of the Group determines the allowance for inventories primarily based on latest selling price and market condition. Where the actual net realisable values of the inventories are less than expected, further allowance for inventories may arise. During the year, the Group recognised allowance for inventories amounting to HK$3,095,000 (2020: HK$2,893,000). As at 31st March, 2021, the carrying amount of inventories is HK$197,492,000 (net of allowance for inventories of HK$51,213,000) (2020: HK$111,450,000 (net of allowance for inventories of HK$51,912,000)).

5. REVENUE

(i) Disaggregation of revenue from contracts with customers

The Group's revenue represents income from manufacture and sales of LCDs, LCMs, LCD-other related products that are widely used in electronic consumer products and LCD-related optical products.

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

(ii) Performance obligations for contracts with customers

Revenue is recognised at a point in time when control of the goods has transferred, being when the goods have been delivered and titles are passed to customers according to the specific shipping terms. Following the delivery, the customer has full discretion over the usage of the goods, has the primary responsibility when on utilising the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 150 days upon delivery.

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

As sales return is rare and not significant to the Group, the Group reverses the revenue when sales return is successfully logged by the customers.

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

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

6. SEGMENT INFORMATION

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

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

Prior to current year, the Group was organised into four operating divisions by type of product sold including LCDs, LCMs, LCD-related optical products and LCM-related products. In the current year, the Group reorganised its internal reporting structure by combining the four operating divisions into one operating segment on LCDs & LCMs products. Prior year disclosures have been represented to conform with the current year's presentation.

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

	2021 ***HK$'000***	2020 *HK$'000* (Restated)
Revenue – LCDs & LCMs	**891,969**	813,153
Segment profit – LCDs & LCMs	**34,834**	14,037
Interest income	**1,832**	2,493
Net exchange loss	**(18,449)**	(11,211)
Gain (loss) on fair value changes of financial assets at FVTPL	**19,564**	(60)
Loss on fair value changes of derivative financial instruments	**(1,043)**	–
Unallocated administrative expenses	**(3,919)**	(3,556)
Finance costs	**(510)**	(459)
Share of results of associates	**182,357**	98,308
Other income related to an associate	**–**	46,637
Profit before income tax	**214,666**	146,189

6. SEGMENT INFORMATION (CONTINUED)

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

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

	2021	2020
	HK$'000	*HK$'000*
LCDs	**191,811**	172,342
LCMs	**582,737**	543,030
LCM – other related products	**117,336**	97,670
LCD – related optical products	**85**	111
	891,969	813,153

Segment assets and liabilities

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

6. SEGMENT INFORMATION (CONTINUED)

Other segment information

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

For the year ended 31st March, 2021

	LCDs & LCMs *HK$'000*	**Unallocated** *HK$'000*	**Consolidated** *HK$'000*
Depreciation of property, plant and equipment	**48,648**	**201**	**48,849**
Depreciation of right-of-use assets	**4,427**	**–**	**4,427**
Depreciation of investment properties	**–**	**201**	**201**
Net loss on disposal and written off of property, plant and equipment	**851**	**–**	**851**
Allowance on credit losses on trade receivables, net	**2,924**	**–**	**2,924**
Allowance for inventories	**3,095**	**–**	**3,095**

For the year ended 31st March, 2020

	LCDs & LCMs *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Depreciation of property, plant and equipment	45,538	201	45,739
Depreciation of right-of-use assets	3,987	–	3,987
Depreciation of investment properties	–	201	201
Net loss on disposal and written off of property, plant and equipment	4,798	–	4,798
Allowance on credit losses on trade receivables, net	788	–	788
Allowance for inventories	2,893	–	2,893

6. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

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

	Revenue from external customers		Non-current assets	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**85,820**	85,168	**9,299**	11,361
Mainland China	**186,190**	139,337	**1,899,150**	1,594,012
Japan	**121,648**	133,645	**–**	–
United States	**75,457**	78,266	**–**	–
Taiwan	**45,105**	30,494	**–**	–
Germany	**110,779**	93,520	**–**	–
Spain	**56,576**	46,509	**–**	–
Other European countries	**168,750**	165,258	**4,913**	5,399
Other Asian countries	**24,757**	32,393	**–**	–
Other countries	**16,887**	8,563	**–**	–
	891,969	813,153	**1,913,362**	1,610,772

Note: Non-current assets exclude financial assets at FVTPL.

Information about major customers

No customer has contributed over 10% of the total revenue of the Group in any of the two years.

7. OTHER INCOME

	2021	2020
	HK$'000	HK$'000
Government grant *(note)*	**11,223**	923
Tooling income	**3,445**	2,261
Scrap sales	**1,557**	1,147
Rental income	**1,097**	1,107
Interest income	**1,832**	2,493
Compensation income	**534**	2,498
Others	**4,583**	1,475
	24,271	11,904

Note: It represented cash received from grants by the respective local governments in the PRC and Hong Kong.

8. OTHER GAINS AND LOSSES

	2021	2020
	HK$'000	HK$'000
Gain (loss) on fair value changes of financial assets at FVTPL	**19,564**	(60)
Loss on fair value changes of derivative financial instruments	**(1,043)**	–
Net loss on disposal and written off of property, plant and equipment	**(851)**	(4,798)
Net exchange loss	**(18,449)**	(11,211)
Gain on deemed disposal of an associate	**1,409**	–
	630	(16,069)

9. FINANCE COSTS

	2021	2020
	HK$'000	HK$'000
Interest on bank borrowings	**28**	–
Interest on lease liabilities	**482**	459
	510	459

10. INCOME TAX EXPENSE

	2021	2020
	HK$'000	*HK$'000*
The income tax expense (credit) comprises:		
Current tax		
Hong Kong	**1,271**	1,410
The People's Republic of China ("PRC"), other than Hong Kong, Macau and Taiwan	**5,315**	3,928
Other jurisdictions	**(80)**	1,112
	6,506	6,450
Under(over)provision in prior years	**111**	(2,425)
	6,617	4,025
Deferred taxation *(note 29)*		
Charge for the year	**10,039**	4,622
	16,656	8,647

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

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

Pursuant to the relevant law and regulations in the PRC, one of the Company's PRC subsidiaries was approved as Hi-Tech Enterprise and entitled to 15% PRC Enterprise Income Tax rate. Accordingly, the PRC Enterprise Income Tax of that PRC subsidiary was provided at 15% for the year ended 31st March, 2021 (2020: 15%).

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

10. INCOME TAX EXPENSE (CONTINUED)

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

	2021	2020
	HK$'000	*HK$'000*
Profit before income tax	**214,666**	146,189
Tax at Hong Kong Profits Tax rate of 16.5%	**35,420**	24,121
Tax effect of share of results of associates	**(30,089)**	(16,221)
Tax effect of expenses that are not deductible for tax purposes	**2,180**	9,987
Tax effect of income not taxable for tax purposes	**(3,346)**	(11,399)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**702**	632
Under(over)provision in prior years	**111**	(2,425)
Utilisation of tax losses previously not recognised	**(110)**	(894)
Tax effect of tax losses and other deductible temporary difference not recognised	**1,526**	629
Withholding tax for undistributed profits in associates	**10,822**	5,803
Income tax at concessionary rate	**(1,672)**	(1,411)
Others	**1,112**	(175)
Income tax expense for the year	**16,656**	8,647

11. PROFIT FOR THE YEAR

	2021 HK$'000	2020 HK$'000
Profit for the year has been arrived at after charging:		
Staff costs, including directors' emoluments	**185,161**	160,621
Retirement benefit scheme contributions, including directors	**11,495**	10,388
Share-based payment expenses	**2,736**	4,211
Total staff costs	**199,392**	175,220
Recognition of allowance for inventories	**3,095**	2,893
Auditor's remuneration	**2,680**	2,550
Cost of inventories recognised as expenses	**782,754**	707,383
Depreciation of property, plant and equipment	**48,849**	45,739
Depreciation of right-of-use assets	**4,427**	3,987
Depreciation of investment properties	**201**	201
Total depreciation	**53,477**	49,927
Allowance on credit losses on trade receivables, net	**2,924**	788
Gain on disposal of a subsidiary	**–**	32
Share of tax of associates (included in share of results of associates)	**16,190**	12,967

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

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

Year ended 31st March, 2021

	Fees	Salaries and other benefits	Performance related incentive payments *(note i)*	Share-based payment expenses *(note iv)*	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors *(note iii)*:						
Fang Hung, Kenneth	–	1,440	–	–	–	1,440
Li Kwok Wai, Frankie *(note ii)*	–	4,354	–	–	217	4,571
Leung Tze Kuen	–	960	–	751	48	1,759
Non-executive Directors *(note iii)*:						
Fang Yan Tak, Douglas	300	–	–	–	–	300
Chen Shuang	300	–	–	–	–	300
Independent non-executive Directors *(note iii)*:						
Chu Chi Wai, Allan	300	–	–	–	–	300
Lau Yuen Sun, Adrian	300	–	–	–	–	300
Lau Kei May (appointed on 29th March, 2021)	3	–	–	–	–	3
	1,203	6,754	–	751	265	8,973

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

Year ended 31st March, 2020

	Fees	Salaries and other benefits	Performance related incentive payments *(note i)*	Share-based payment expenses *(note iv)*	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors *(note iii)*:						
Fang Hung, Kenneth	–	1,440	–	–	–	1,440
Li Kwok Wai, Frankie *(note ii)*	–	4,354	2,000	–	318	6,672
Leung Tze Kuen	–	960	1,000	614	98	2,672
Non-executive Directors *(note iii)*:						
Fang Yan Tak, Douglas	300	–	–	–	–	300
Chen Shuang	156	–	–	–	–	156
Independent non-executive Directors *(note iii)*:						
Tien Pei Chun, James (retired on 24th September, 2019)	150	–	–	–	–	150
Chu Chi Wai, Allan	300	–	–	–	–	300
Lau Yuen Sun, Adrian	300	–	–	–	–	300
	1,206	6,754	3,000	614	416	11,990

Notes:

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

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

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

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

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

13. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2020: two) were directors of the Company whose emoluments are included in note 12 above. The emoluments of the remaining three (2020: three) individuals were as follows:

	2021	2020
	HK$'000	*HK$'000*
Salaries and other benefits	**4,673**	4,248
Performance related incentive payments	**655**	2,467
Retirement benefit scheme contributions	**1,659**	1,192
Share-based payment expenses	**–**	1,392
Total emoluments	**6,987**	9,299

Their emoluments were within the following bands:

	2021	2020
	No. of employees	*No. of employees*
HK$1,500,001 to HK$2,000,000	**1**	–
HK$2,500,001 to HK$3,000,000	**2**	2
HK$3,000,001 to HK$3,500,000	**–**	1

14. DIVIDENDS

Dividends recognised as distributions during the year:

	2021	2020
	HK$'000	*HK$'000*
2020 Final dividend of HK5.0 cents per share (2020: 2019 Final dividend of HK$5.0 cents per share)	**49,982**	49,982
2019 Special dividend of HK10.0 cents per share	**–**	99,964
	49,982	149,946

14. DIVIDENDS (CONTINUED)

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31st March, 2021 of HK2.0 cents (2020: final dividend in respect of the year ended 31st March, 2020 of HK5.0 cents) per ordinary share, in an aggregate amount of HK$19,993,000 (2020: HK$49,982,000), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming annual general meeting.

For the year ended 31st March, 2021, the Group distributed dividends amounting to HK$49,982,000 (2020: HK$149,946,000). The difference between dividends recognised as a distribution disclosed in consolidated statement of changes in equity represented the dividends paid to the Group's share award scheme trust, which was adapted to hold the shares held for share award scheme in the consolidated statement of changes in equity.

15. EARNINGS PER SHARE

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

	2021	2020
	HK$'000	*HK$'000*
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	**187,734**	123,822

	Number of shares	Number of shares
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**983,240**	987,033
Effect of dilutive potential ordinary shares in respect of outstanding share awards	**5,360**	3,920
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**988,600**	990,953

The weighted average number of ordinary shares for the purpose of basic earnings per share shown above have been arrived at after deducting shares held by the share award scheme trust.

16. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000 (Note)	Furniture and fixtures HK$'000	Office equipment HK$'000	Plant and machinery HK$'000	Motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
COST							
At 1st April, 2019	130,071	85,531	13,328	344,700	8,728	23,994	606,352
Exchange realignment	–	20	23	–	122	–	165
Additions	442	11	278	164	261	27,431	28,587
Disposals and written off	(60)	(402)	(751)	(21,339)	(144)	(3,195)	(25,891)
Transfers	239	11,345	25	20,000	–	(31,609)	–
At 31st March, 2020	130,692	96,505	12,903	343,525	8,967	16,621	609,213
Exchange realignment	10,458	7,955	908	29,758	287	1,804	51,170
Additions	–	2,002	185	–	–	57,008	59,195
Disposals and written off	(78)	(9,872)	(913)	(26,275)	(601)	–	(37,739)
Transfers	–	18,090	1,326	27,976	–	(47,392)	–
At 31st March, 2021	**141,072**	**114,680**	**14,409**	**374,984**	**8,653**	**28,041**	**681,839**
DEPRECIATION							
At 1st April, 2019	43,621	67,379	9,513	232,733	6,159	–	359,405
Exchange realignment	–	17	23	–	–	–	40
Provided for the year	6,470	6,470	876	31,046	877	–	45,739
Eliminated on disposals and written off	(24)	(331)	(458)	(14,962)	(132)	–	(15,907)
At 31st March, 2020	50,067	73,535	9,954	248,817	6,904	–	389,277
Exchange realignment	4,256	6,684	695	21,400	205	–	33,240
Provided for the year	6,496	7,600	1,133	32,769	851	–	48,849
Eliminated on disposals and written off	(78)	(9,781)	(891)	(25,255)	(566)	–	(36,571)
At 31st March, 2021	**60,741**	**78,038**	**10,891**	**277,731**	**7,394**	**–**	**434,795**
CARRYING VALUES							
At 31st March, 2021	**80,331**	**36,642**	**3,518**	**97,253**	**1,259**	**28,041**	**247,044**
At 31st March, 2020	80,625	22,970	2,949	94,708	2,063	16,621	219,936

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Land and buildings	Over the lease term
Furniture and fixtures	10 – 25%
Office equipment	15 – 25%
Plant and machinery	10 – 25%
Motor vehicles	10 – 20%

Notes:

(i) The carrying amounts of owner-occupied leasehold land and buildings of HK$80,331,000 (2020: HK$80,625,000) at the end of the reporting period included both the leasehold land and building elements in property, plant and equipment, as in the opinion of the directors of the Company, allocations of the carrying amounts between the leasehold land and buildings elements cannot be made reliably.

(ii) During the year ended 31st March, 2020, a net carrying amount of HK$8,682,000 on certain property, plant and equipment was written off, which were related to a fire accident happened in September 2019.

17. RIGHT-OF-USE ASSETS

	Rented premises *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
As at 31st March, 2021			
Carrying amount	8,818	1,246	10,064
As at 31st March, 2020			
Carrying amount	7,604	1,560	9,164
For the year ended 31st March, 2021			
Depreciation charge	3,813	614	4,427
For the year ended 31st March, 2020			
Depreciation charge	3,498	489	3,987

	2021 ***HK$'000***	2020 *HK$'000*
Expense relating to short-term leases	**397**	690
Total cash outflow for leases	**(6,114)**	(4,774)
Addition to right-of-use assets	**5,249**	3,454

17. RIGHT-OF-USE ASSETS (CONTINUED)

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

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

The Group regularly entered into short-term leases for rented premises. As at 31st March, 2021 and 2020, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in this note above.

In addition, lease liabilities of HK$10,579,000 are recognised with related right-of-use assets of HK$10,064,000 as at 31st March, 2021 (2020: lease liabilities of HK$9,526,000 and related right-of-use assets of HK$9,164,000). The lease agreements do not impose any covenants in the leased assets that are held by the lessors, and the relevant leased assets may not be used as security for borrowing purposes.

18. INVESTMENT PROPERTIES

	HK$'000
COST	
At 1st April, 2019, 31st March, 2020 and 2021	1,892
DEPRECIATION	
At 1st April, 2019	313
Provided for the year	201
At 31st March, 2020	514
Provided for the year	201
At 31st March, 2021	715
CARRYING VALUES	
At 31st March, 2021	1,177
At 31st March, 2020	1,378

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

As at 31st March, 2021, the fair value of the Group's investment properties was HK$34,700,000 (2020: HK$35,500,000).

The fair value of the investment properties as at 31st March, 2021 have been arrived at on the basis of a valuation carried out on that date by Asset Appraisal Limited, an independent qualified professional valuer not connected with the Group. Asset Appraisal Limited is a member of the Hong Kong Institute of Surveyors. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

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

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

18. INVESTMENT PROPERTIES (CONTINUED)

Rental income from investment properties for the year is HK$1,097,000 (2020: HK$1,107,000). The direct operating expenses incurred for investment properties that generated rental income during the year is HK$201,000 (2020: HK$282,000).

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

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

	2021	2020
	HK$'000	*HK$'000*
Commercial properties located in Hong Kong		
Carrying amount	**1,177**	1,378

	2021	2020
	HK$'000	*HK$'000*
Fair value at Level 3 hierarchy	**34,700**	35,500

19. INTERESTS IN ASSOCIATES

	2021	2020
	HK$'000	*HK$'000*
Cost of investments in associates		
Listed in the PRC	**518,114**	518,114
Unlisted	**183,052**	183,052
Share of post-acquisition results and other comprehensive income, net of dividends received:		
Listed in the PRC	**908,369**	767,092
Unlisted	**9,318**	(7,770)
Exchange adjustments	**25,418**	(96,065)
	1,644,271	1,364,423
Fair value of listed associate	**4,482,103**	2,228,466

Share of results of associates

	2021	2020
	HK$'000	*HK$'000*
Listed in the PRC:		
Share of profit	**153,961**	80,969
Unlisted associates:		
Share of profit	**28,396**	17,339
	182,357	98,308

19. INTERESTS IN ASSOCIATES (CONTINUED)

Details of the Group's associates as at 31st March, 2021 and 2020 are as follows:

Name	Form of enterprise	Place of incorporation or registration/ operation	Proportion of nominal value of issued capital controlled by the Group 2021	2020	Principal activities
Listed in the PRC					
Nantong Jianghai Capacitor Co., Limited ("Nantong Jianghai") 南通江海電容器股份有限公司	Sino-foreign cooperate joint stock company	The PRC	**31.51%** *(Note)*	31.73% *(Note)*	Manufacturing and trading of aluminium electrolytic capacitors, thin film capacitors and super capacitors
Unlisted associates					
Suzhou QingYue Optoelectronics Technology Co., Limited ("Suzhou QingYue") (formerly known as Kunshan Visionox Technology Co., Limited) 蘇州清越光電科技股份有限公司 (原名：昆山維信諾科技有限公司)	Sino-foreign cooperate joint stock company (2020: Sino-foreign cooperate limited liability company)	The PRC	**35.10%**	35.10%	Development, manufacturing and selling of organic light emitting diode ("OLED") display products
Zaozhuang Reinno Electronics Technology Co., Limited ("Zaozhuang Reinno") (formerly known as Zaozhuang Visionox Electronics Technology Company Limited) 棗莊睿諾電子科技有限公司 (原名：棗莊維信諾電子科技有限公司)	Sino-foreign cooperate limited liability company	The PRC	**40.00%**	40.00%	Development, manufacturing and selling of flexible printed circuits and OLED related products

Note: According to the "Guide to Listed Companies' Articles of Association《上市公司章程指引》" issued by China Securities Regulatory Commission, a company is treated as the controlling shareholder of a company listed in the PRC if it holds more than 30% of the shareholding of the said listed company or if its shareholding/voting right is enough to have a significant influence on the votings in the listed company's shareholders general meetings. Billion Power Investment Limited ("Billion Power"), a wholly-owned subsidiary of the Company, has significant influence but not control, over Nantong Jianghai by virtue of the fact that it has a shareholding of 31.51% (2020: 31.73%) of the voting rights. The decrease in shareholding is due to the dilution effect in relation to the exercise of the share options in Nantong Jianghai. Regardless of the fact that Billion Power is disclosed as the controlling shareholder of Nantong Jianghai in Nantong Jianghai's public documents in the PRC, it is accounted for as interest in an associate using the equity method under HKAS 28 "*Investments in Associates and Joint Ventures*" as the Group has significant influence over the financial and operating decisions but not control of Nantong Jianghai.

19. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of material associates

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

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

Nantong Jianghai

Financial position

	2021	2020
	HK$'000	*HK$'000*
Current assets	**3,774,519**	2,834,208
Non-current assets	**2,553,412**	2,068,667
Current liabilities	**(1,424,491)**	(924,814)
Non-current liabilities	**(156,665)**	(18,803)

Results for the year

	2021	2020
	HK$'000	*HK$'000*
Revenue	**3,522,664**	2,308,920
Profit for the year	**488,589**	255,182
Other comprehensive income for the year	**26,861**	14,567
Total comprehensive income for the year	**515,450**	269,479
Dividend received by the Group	**21,429**	22,446

19. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of material associates (Continued)

Nantong Jianghai (Continued)

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

	2021	2020
	HK$'000	*HK$'000*
Net assets of Nantong Jianghai	**4,746,775**	3,959,258
Non-controlling interests of Nantong Jianghai	**(53,799)**	(187,068)
Proportion of the Group's ownership interest in Nantong Jianghai	**31.51%**	31.73%
The Group's share of net assets of Nantong Jianghai	**1,478,819**	1,196,915
Other adjustments *(note)*	**(34,504)**	–
Carrying amount of the Group's interest in Nantong Jianghai	**1,444,315**	1,196,915

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

Suzhou QingYue

Financial position

	2021	2020
	HK$'000	*HK$'000*
Current assets	**621,916**	304,951
Non-current assets	**825,461**	409,835
Current liabilities	**(546,776)**	(275,399)
Non-current liabilities	**(225,824)**	–

19. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of material associates (Continued)

Suzhou QingYue (Continued)

Results for the year

	2021	2020
	HK$'000	HK$'000
Revenue	**703,326**	508,002
Profit for the year	**88,722**	49,989
Other comprehensive income for the year	**13,385**	–
Total comprehensive income for the year	**102,107**	49,989
Dividend received from the associate during the year *(note)*	**14,407**	–

Note: During the year ended 31st March, 2020, Suzhou QingYue distributed RMB48,800,000 dividend to its shareholders. Crown Capital, a non-wholly owned subsidiary of the Group, and Faith Crown International Limited, a wholly owned subsidiary of the Group, decided to assign the entitlement to the proposed dividend amounting to RMB17,128,000 (equivalent to approximately HK$18,730,000) to the major shareholder of Suzhou QingYue. This was to maintain a good relationship with the major shareholder of Suzhou QingYue and to facilitate a capital restructuring plan of Suzhou QingYue, which would be beneficial to the long-term development of Suzhou QingYue.

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

	2021	2020
	HK$'000	HK$'000
Net assets of the Suzhou QingYue	**674,777**	439,387
Non-controlling interests of Suzhou QingYue	**(177,644)**	(39,301)
Proportion of the Group's ownership interest in Suzhou QingYue	**35.1%**	35.1%
The Group's share of net assets of Suzhou QingYue	**174,494**	140,430
Other adjustments *(note)*	**(1,065)**	–
Carrying amount of the Group's interest in Suzhou QingYue	**173,429**	140,430

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

19. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of material associates (Continued)

Suzhou QingYue (Continued)

Bonus awarded to management of Suzhou QingYue

The Group awarded a discretionary bonus of RMB55,908,000 (equivalent to approximately HK$65,367,000) to the management of Suzhou QingYue in 2019 to show the appreciation to the management of Suzhou QingYue for the contribution to the satisfactory performance and the continual support to Suzhou QingYue in the future. During the year ended 31st March, 2020, due to the remittance restriction in the PRC, the Group had limitation to distribute the discretionary bonus to the management of Suzhou QingYue after consulted with legal counsel. With the agreement with the management of Suzhou QingYue, the Group cancelled the discretionary bonus and accordingly, recognised a reversal of the discretionary bonus of RMB55,908,000 (equivalent to approximately HK$61,140,000) for the year ended 31st March, 2020. Exchange gain of HK$4,227,000 was recognised upon reversal of the accrued bonus for the year ended 31st March, 2020.

	2021	2020
	HK$'000	*HK$'000*
Other income (expense) related to an associate:		
Reversal of bonus awarded to the management of an associate	–	61,140
Exchange gain on accrued bonus awarded to the management of an associate	–	4,227
Waiver of dividend from an associate	–	(18,730)
	–	46,637

Zaozhuang Reinno

Financial position

	2021	2020
	HK$'000	*HK$'000*
Current assets	**18,019**	28,557
Non-current assets	**99,794**	87,950
Current liabilities	**(39,090)**	(37,378)
Non-current liabilities	**(12,407)**	(11,434)

Results for the year

	2021	2020
	HK$'000	*HK$'000*
Revenue	**29,762**	67,476
Loss and total comprehensive expense for the year	**(6,864)**	(519)

19. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information of material associates (Continued)

Zaozhuang Reinno (Continued)

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

	2021	2020
	HK$'000	*HK$'000*
Net assets of Zaozuang Reinno	**66,316**	67,695
Proportion of the Group's ownership interest in Zaozhuang Reinno	**40%**	40%
Carrying amount of the Group's interest in Zaozhuang Reinno	**26,527**	27,078

Amounts due from associates

The amounts due from associates at 31st March, 2020 are non-trade nature, unsecured, interest-free and repayable on demand.

20. FINANCIAL ASSETS AT FVTPL

	2021	2020
	HK$'000	*HK$'000*
Unlisted equity securities of a private equity *(Note a)*	**22,303**	2,739
Bills *(Note b)*	**–**	5,662
	22,303	8,401
Analysed for reporting purposes as:		
Current assets	**–**	5,662
Non-current assets	**22,303**	2,739
	22,303	8,401

Notes:

(a) Amount represents unlisted equity securities of a private entity engaging in manufacturing and trading of aluminium formed foil in the PRC. Subsequent to the reporting period, the unlisted equity securities were disposed of at a consideration of approximately RMB20,600,000 (equivalent to approximately HK$24,700,000) to Nantong Jianghai.

(b) During the year ended 31st March, 2020, the Group would endorse part of the bills received from debtors to settle payment to suppliers before the bills are due for payment and derecognises endorsed bills on the basis that the Group has transferred substantially all risks and rewards to the relevant counterparties. Accordingly, the Group's bills were classified as financial assets at FVTPL.

21. INTANGIBLE ASSETS

The intangible assets represent club memberships with indefinite useful lives.

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

22. INVENTORIES

	2021	2020
	HK$'000	*HK$'000*
Raw materials	**96,822**	40,649
Work in progress	**34,168**	25,915
Finished goods	**66,502**	44,886
	197,492	111,450

23. TRADE AND OTHER RECEIVABLES

	2021	2020
	HK$'000	*HK$'000*
Trade receivables	**191,682**	135,884
Less: Allowance for credit losses	**(16,164)**	(12,259)
	175,518	123,625
Loan receivables *(note)*	**50,817**	18,755
Other receivables	**10,542**	14,402
Deposits	**7,831**	2,639
Prepayments	**11,951**	10,708
	256,659	170,129

Note: Loan receivables at 31st March, 2021 mainly include loans to the shareholders of Suzhou QingYue and Zaozhuang Reinno, associates of the Group, amounting to RMB39,000,000 (equivalent to HK$46,300,000). The loan receivables carry interests at fixed rates with a weighted average interest rate of 2.33% and are repayable within one year (2020: loan receivable to shareholder of Zaozhuang Reinno of RMB14,000,000).

At 1st April, 2019, trade receivables from contracts with customers amounted to HK$160,105,000.

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

The Group's trade and other receivables that are denominated in currencies other than functional currencies of the relevant group entities, as stated in note 32b, amounted to HK$98,704,000 (2020: HK$171,604,000).

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

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

	2021	2020
	HK$'000	*HK$'000*
1 – 30 days	**101,440**	67,057
31 – 60 days	**37,857**	30,104
61 – 90 days	**28,311**	13,402
91 – 120 days	**5,775**	6,881
Over 120 days	**2,135**	6,181
	175,518	123,625

As at 31st March, 2021, included in the Group's trade receivables net of allowance for credit losses balance are debtors with aggregate carrying amount of HK$49,658,000 (2020: HK$44,382,000) which are past due as at the reporting date. Out of the past due balances, HK$10,127,000 (2020: HK$8,758,000) has been past due 90 days or more and is not considered as in default as the Group considered such balances could be recovered based on repayment history, the financial conditions and the current credit worthiness of each customer. The Group does not hold any collateral over these balances.

Details of impairment assessment of trade and other receivables are set out in note 32b.

24. BANK BALANCES AND CASH

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

Bank balances are interest bearing at respective saving deposits rate in Hong Kong and in the PRC and the effective interest rates of the Group's bank balances ranged from 0.01% to 2.60% (2020: 0.01% to 2.65%) per annum.

The Group's bank balances and cash that are denominated in currencies other than the functional currencies of the relevant group entities as stated in note 32b, amounted to approximately HK$97,002,000 (2020: HK$225,220,000).

Details of impairment assessment of bank balances are set out in note 32b.

25. TRADE AND OTHER PAYABLES

	2021	2020
	HK$'000	*HK$'000*
Trade payables	**161,206**	106,418
Dividend payable	**–**	913
Accrued charges	**68,730**	74,879
Other payables	**22,174**	21,108
	252,110	203,318

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

	2021	2020
	HK$'000	*HK$'000*
Up to 30 days	**107,971**	42,083
31 – 60 days	**23,054**	12,086
61 – 90 days	**3,344**	18,498
91 – 120 days	**3,650**	15,357
Over 120 days	**23,187**	18,394
	161,206	106,418

The credit period on purchase of goods is 30 days to 120 days (2020: 30 days to 90 days).

The Group's trade and other payables that are denominated in foreign currencies, other than functional currencies of the relevant group entities, amounted to HK$15,177,000 (2020: HK$179,516,000).

26. CONTRACT LIABILITIES

	2021	2020
	HK$'000	*HK$'000*
Deposits received from customers	**14,938**	7,487

As at 1st April, 2019, contract liabilities amounted to HK$13,411,000.

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

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in current year.

	Amounts received in advance for sales of LCDs and LCMs, products
	HK$'000
For the year ended 31st March, 2021	
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**7,487**
For the year ended 31st March, 2020	
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	13,411

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

Contract liabilities primarily relate to deposits from customers when the sale order is issued. The Group receives 30% to 100% of the contract value as deposits from certain new customers when the sale order is issued. The entire amount of contract liabilities will be recognised as revenue when the customers obtained the control of LCDs and LCMs products.

27. BANK BORROWINGS

	2021 HK$'000	2020 HK$'000
Bank borrowings – unsecured	**4,205**	4,022
Carrying amount of bank borrowings repayable based on scheduled repayment dates set out in the loan agreements:		
Within one year	**4,205**	4,022
Amounts due within one year shown under current liabilities	**4,205**	4,022

The bank borrowings are carried interest at a fixed rate of 2.51% (2020: 2.86%) per annum for the year ended 31st March, 2021.

28. LEASE LIABILITIES

	2021 HK$'000	2020 HK$'000
Lease liabilities payable:		
Within one year	**4,458**	3,928
Within a period of more than one year but not more than two years	**3,820**	1,840
Within a period of more than two years but not more than five years	**2,301**	3,758
	10,579	9,526
Less: Amount due for settlement with 12 months shown under current liabilities	**(4,458)**	(3,928)
Amount due for settlement after 12 months shown under non-current liabilities	**6,121**	5,598

The weighted average incremental borrowing rates applied to lease liabilities is 4.45% (2020: 4.07%).

29. DEFERRED TAXATION

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

	Temporary differences on interest in an associate *(Note)* *HK$'000*	Undistributed profits in associates *HK$'000*	Undistributed other comprehensive income in associates *HK$'000*	Others *HK$'000*	Total *HK$'000*
At 1st April, 2019	32,491	25,646	(185)	(124)	57,828
Dividend withholding tax paid	–	(1,181)	–	–	(1,181)
Charge to profit or loss	–	5,803	–	–	5,803
Charge to other comprehensive income	–	–	231	–	231
Exchange differences	(2,097)	(1,783)	–	–	(3,880)
At 31st March, 2020	30,394	28,485	46	(124)	58,801
Dividend withholding tax paid	–	(2,729)	–	–	(2,729)
Charge to profit or loss	–	10,812	–	1,956	12,768
Charge to other comprehensive income	–	–	893	–	893
Exchange differences	2,587	2,695	(10)	79	5,351
At 31st March, 2021	**32,981**	**39,263**	**929**	**1,911**	**75,084**

Note: Pursuant to the non-public offering of shares of Nantong Jianghai in 2016, the Group's interest in Nantong Jianghai increased, resulting in an increase in the temporary difference in interests in an associate.

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

At the end of the reporting period, the Group had unused tax losses of HK$5,820,000 (2020: HK$2,499,000) and temporary differences on allowance for credit losses on receivables of HK$727,000 (2020: HK$727,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses and temporary differences for both years due to the unpredictability of future profit streams. Included in unrecognised tax losses are HK$1,055,000 (2020: HK$728,000) that will expire within five years. The remaining unrecognised tax losses may be carried forward indefinitely.

29. DEFERRED TAXATION (CONTINUED)

The Group has recognised a deferred tax liability for the Group's share of the undistributed distributable profits earned by its PRC associates since 1st January, 2008. Deferred tax liabilities in respect of the distributable profits retained by the Group's PRC subsidiaries have not been recognised as the Group is able to control the timing of reversal of temporary differences of the subsidiaries and it is probable that the temporary differences will not be reversed in the foreseeable future.

30. SHARE CAPITAL

	Number of shares		Share capital	
	2021	2020	**2021**	2020
	'000	*'000*	***HK$'000***	*HK$'000*
Authorised				
2,000 million ordinary shares of HK$0.2 each	**2,000,000**	2,000,000	**400,000**	400,000

Issued and fully paid

	Number of shares	Share capital
	'000	*HK$'000*
Issued and fully paid		
At 1st April, 2019, 31st March, 2020 and 31st March, 2021	999,641	199,928

31. CAPITAL RISK MANAGEMENT

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

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

32. FINANCIAL INSTRUMENTS

32a. Categories of financial instruments

	2021	2020
	HK$'000	*HK$'000*
Financial assets		
Financial assets at amortised cost	**386,739**	390,078
Financial assets at FVTPL	**22,303**	8,401
Financial liabilities		
Financial liabilities at amortised cost	**187,585**	132,461
Derivative financial instruments	**1,043**	–

32b. Financial risk management objective and policies

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

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risks

(i) *Currency risk*

Several group entities have foreign currency sales and purchases, which expose the Group to foreign currency risk. Approximately 53% (2020: 97%) of the Group's sales are denominated in currencies other than the functional currency of the Group entities making the sale, whilst approximately 23% (2020: 97%) of purchases of raw materials are denominated in currencies other than the functional currency of the Group entities.

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

	Assets		**Liabilities**	
	2021	2020	**2021**	2020
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
HKD	**128,063**	–	**–**	–
RMB	**39,239**	168,007	**5,664**	120,738
Taiwan dollars ("NT$")	**5,181**	4,971	**576**	557
Japanese Yen ("JPY")	**433**	631	**795**	468
United States dollars ("US$")	**145,718**	178,304	**13,737**	19,361
Swiss franc ("CHF")	**25,088**	44,911	**18,829**	38,392

The Group requires Group entities to use foreign exchange forward contracts to reduce the currency exposure. The exchange forward contracts must be in the same currency which expose to the foreign currency risk. On this basis, at 31st March, 2021, the Group has entered into forward contracts in relation to the foreign currency amounting to HK$66,076,000 (2020: Nil). The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risks (Continued)

(i) Currency risk (Continued)

Sensitivity analysis

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

	2021	2020
	HK$'000	*HK$'000*
HKD	**5,347**	–
RMB	**1,402**	1,973
NT$	**192**	184
JPY	**(15)**	7
CHF	**261**	272

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

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

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Market risks (Continued)

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances (see note 24 for details).

The Group is exposed to fair value interest rate risk in relation to loan receivables (see note 23 for details), bank borrowings (see note 27 for details) and lease liabilities (see note 28 for details).

The directors of Company consider that cash flow interest rate risk is insignificant. The management continuously monitors interest rate fluctuations and will consider further hedging the interest rate risk should the need arise.

Sensitivity analysis

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

Credit risk and impairment assessment

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

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines corresponding credit limits. Credit quality and limit attributed to customers are reviewed regularly. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. In addition, the Group performs impairment assessment under ECL model on trade balances based on individual assessment for those debtors with credit-impaired and/or collective assessment through grouping of various debtors that have similar loss patterns, after considering ageing, repayment history and/or past due status of respective trade receivables.

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

Loan receivables

The Group has a policy for assessing the impairment on loans receivables on individual basis. These debtors are mainly shareholders of associates of the Group. The ECL rates are estimated based on historical observed default rates and the credit quality classification and forward-looking information, including but not limited to the historical settlement patterns and financial status of each borrower.

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

Other receivables and deposits

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

Amounts due from associates

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

Bank balances

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

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

The amounts due from the Group's five largest debtors which are all engaged in manufacturing and trading of electronic consumer products in Hong Kong, Mainland China and United States and with a good payment history, accounted for 15% (2020: 23%) of the Group's total trade receivables. The Group monitors the level of exposures to ensure that follow up actions and/or corrective measures are taken promptly to lower the risk exposure or to recover the overdue balances. Other than the above, the Group has no other significant concentration risk, with exposures spread over a large number of counterparties and customers.

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

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

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

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

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

	Notes	External credit rating	Internal credit rating	12m or lifetime ECL	Gross carrying amount 2021 *HK$'000*	Gross carrying amount 2020 *HK$'000*
Financial assets at amortised cost						
Trade receivables	*23*	N/A	*(Note ii)*	Lifetime ECL (collective assessment)	**188,964**	126,419
			Loss *(Note ii)*	Lifetime ECL (individual assessment)	**2,718**	9,465
Loan receivables, deposits and other receivables	*23*	N/A	*(Note iii)*	12m ECL	**69,190**	35,796
Amounts due from associates	*19*	N/A	*(Note iii)*	12m ECL	**–**	31
Bank balances	*24*	*(Note i)*	N/A	12m ECL	**142,031**	229,970

Notes:

(i) Bank balances are deposited with financial institutions with high credit rating (A1 to Aa3 in Moody's Rating Scale) and are considered low credit risk financial assets. The directors of the Company consider these assets are short-term in nature and the probability of default is negligible on the basis of high-credit ratings. Therefore, no impairment allowance are made on theses balances.

(ii) As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on collective assessment within lifetime ECL (not credit-impaired). Debtors with credit-impaired with gross carrying amounts of HK$2,718,000 as at 31st March, 2021 (2020: HK$9,465,000) were assessed individually.

(iii) For the purpose of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition for loan receivables, deposits, other receivables and amounts due from associates. These financial assets are not past due or having any default history and therefore, no impairment allowance are made on theses balances.

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

Gross carrying amount

	2021		2020	
	Average loss rate	**Trade receivables**	Average loss rate	Trade receivables
	%	*HK$'000*	*%*	*HK$'000*
Internal credit rating				
Low risk	**2.19**	**92,500**	1.69	91,602
Watch list	**5.61**	**43,055**	3.14	19,059
Doubtful	**16.87**	**53,409**	4.11	15,758
		188,964		126,419

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

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

	Lifetime ECL, not-credit impaired	**Lifetime ECL, credit-impaired**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1st April, 2019	2,809	8,593	11,402
Changes due to financial instruments recognised as at 1st April, 2019:			
– Transfer to credit-impaired	(159)	159	–
– Impairment loss reversed	(2,650)	–	(2,650)
New financial assets originated	2,773	665	3,438
Exchange realignment	21	48	69
At 31st March, 2020	2,794	9,465	12,259
Changes due to financial instruments recognised as at 1st April, 2020:			
– Transfer to credit-impaired	(792)	792	–
– Impairment loss reversed	(2,002)	(9,436)	(11,438)
New financial assets originated	12,536	1,826	14,362
Exchange realignment	910	71	981
At 31st March, 2021	13,446	2,718	16,164

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Credit risk and impairment assessment (Continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two year past due, whichever occurs earlier.

Liquidity risk

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

As at 31st March, 2021, the Group's banking facilities amounted to HK$189,000,000 (2020: HK$163,000,000) of which approximately HK$4,205,000 (2020: HK$4,022,000) were utilised for issuance of letters of credit and bank borrowings.

Liquidity table

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows.

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

32. FINANCIAL INSTRUMENTS (CONTINUED)

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

Liquidity risk (Continued)

Liquidity table (Continued)

	Weighted average interest rate	Repayable on demand or less than 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flow	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31st March, 2021						
Non-derivative financial liabilities						
Trade and other payables	–	183,380	–	–	183,380	183,380
Bank borrowings	2.51	4,319	–	–	4,319	4,205
Other item:						
Lease liabilities	4.45	4,987	4,111	2,382	11,480	10,579
		192,686	4,111	2,382	199,179	198,164
Derivatives						
Foreign currency forward contracts	–	1,043	–	–	1,043	1,043
At 31st March, 2020						
Non-derivative financial liabilities						
Trade and other payables	–	128,439	–	–	128,439	128,439
Bank borrowings	2.86	4,130	–	–	4,130	4,022
Other item:						
Lease liabilities	4.07	4,169	1,943	3,988	10,100	9,526
		136,738	1,943	3,988	142,669	141,987

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

32. FINANCIAL INSTRUMENTS (CONTINUED)

32c. Fair value measurements of financial instruments

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

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

	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	31st March, 2021 ***HK$'000***	31st March, 2020 *HK$'000*			
<u>Financial assets</u>					
Financial assets at FVTPL					
– Bills *(note 20)*	–	5,662	Level 3	Discounted cash flow/discount rate	N/A
– Unlisted equity securities *(note 20)*	22,303	2,739	Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of this investee, based on an appropriate discount rate and adjusted by discount on lack of marketability	Discount rate, taking into account weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model at 14.56% Discount for lack of marketability taking into account the external valuer's estimate on the length of time and effort required by the management to dispose of the equity interest which is determined at 30%
<u>Financial liabilities</u>					
Derivative financial instruments					
– Foreign currency forward contracts	1,043	–	Level 2	Future cash flows are estimated based on forward exchange (from observable forward exchange at the end of the reporting period) and contracted forward rates, discounted at rates that reflect the credit risk of various counterparties.	N/A

32. FINANCIAL INSTRUMENTS (CONTINUED)

32c. Fair value measurements of financial instruments (Continued)

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

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

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

Reconciliation of Level 3 fair value measurements of financial assets and financial liability

	Bills	**Unlisted equity securities**
	HK$'000	*HK$'000*
At 1st April, 2019	1,848	2,739
Additions	75,248	–
Disposals	(71,434)	–
At 31st March, 2020	5,662	2,739
Total gains		
– in profit or loss	–	19,564
Additions	–	–
Disposals	(5,662)	–
At 31st March, 2021	–	22,303

During the year ended 31st March, 2021 and 2020, there were no transfers between levels of the fair value hierarchy.

33. CAPITAL COMMITMENT

	2021	2020
	HK$'000	*HK$'000*
Expenditure contracted for but not provided in the consolidated financial statements in respect of:		
– Acquisition of plant and machinery and construction in progress	**11,696**	12,602

34. OPERATING LEASES

The Group as lessor

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

Undiscounted lease payments receivable on leases are as follows:

	2021	2020
	HK$'000	*HK$'000*
Within one year	**1,119**	1,206
In the second year	**–**	72
	1,119	1,278

35. SHARE AWARD SCHEME

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

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

35. SHARE AWARD SCHEME (CONTINUED)

Recognition of equity-settled share-based payment expenses under share award scheme during the year was approximately HK$2,736,000 (2020: HK$4,211,000).

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

	Number of shares
At 1st April, 2019	9,478,000
Awarded *(note a)*	4,250,000
Vested *(note b)*	(1,832,000)
Forfeited	(344,000)
At 31st March, 2020	11,552,000
Vested *(note b)*	(378,000)
Forfeited	(244,000)
At 31st March, 2021	10,930,000

Notes:

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

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

36. RETIREMENT BENEFIT PLANS

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

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

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

The total cost charged to profit or loss of approximately HK$11,495,000 (2020: HK$10,388,000) represents contributions payable to these schemes by the Group in respect of the current year.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bank borrowings HK$'000 (Note)	Lease liabilities HK$'000	Dividend payable HK$'000	Dividend payable to non-controlling interests HK$'000
At 1st April, 2019	–	9,697	–	–
Financing cash flows	4,087	(4,084)	(146,671)	(2,235)
New lease entered	–	3,454	–	–
Interest expense	–	459	–	–
Declaration of dividend	–	–	146,671	3,148
Exchange realignment	(65)	–	–	–
At 31st March, 2020	4,022	9,526	–	913
Financing cash flows	52	(5,717)	(49,131)	(2,174)
New lease entered	–	5,249	–	–
Interest expenses	28	482	–	–
Declaration of dividend	–	–	49,131	1,261
Exchange realignment	103	1,039	–	–
At 31st March, 2021	4,205	10,579	–	–

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

38. RELATED PARTY TRANSACTIONS

38a. Transactions with related parties

	2021	2020
	HK$'000	*HK$'000*
Interest income from loans to shareholders of associates	**1,059**	–

38b. Compensation of key management personnel

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

	2021	2020
	HK$'000	*HK$'000*
Short-term benefits	**7,957**	10,960
Share-based payment expenses	**751**	614
Post-employment benefits	**265**	416
	8,973	11,990

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

39. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	2021	2020
	HK$'000	*HK$'000*
Non-current assets		
Investments in subsidiaries	**83,394**	83,394
Amounts due from subsidiaries	**290,537**	200,009
	373,931	283,403
Current assets		
Amounts due from subsidiaries	**70,908**	224,199
Other receivables	**274**	274
Bank balance and cash	**35,834**	1,413
	107,016	225,886
Current liabilities		
Accrued charges	**5,571**	5,480
Amounts due to subsidiaries	**51,993**	48,317
	57,564	53,797
Net current assets	**49,452**	172,089
	423,383	455,492
Capital and reserves		
Share capital	**199,928**	199,928
Reserves	**223,455**	255,564
	423,383	455,492

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

Movement of reserves

	Share premium *HK$'000*	Capital redemption reserve *HK$'000*	Share award reserve *HK$'000*	Shares held for share award scheme *HK$'000*	Contributed surplus *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
At 1st April, 2019	110,750	10,132	6,521	(15,910)	49,259	165,455	326,207
Profit and total comprehensive income for the year	–	–	–	–	–	78,301	78,301
Shares purchased for share award scheme	–	–	–	(6,484)	–	–	(6,484)
Recognition of equity-settled share-based payment expenses under share award scheme *(note 35)*	–	–	4,211	–	–	–	4,211
Shares vested under share award scheme *(note 35)*	–	–	(1,647)	(56)	–	1,703	–
Dividends recognised as distribution	–	–	–	–	–	(146,671)	(146,671)
At 31st March, 2020	110,750	10,132	9,085	(22,450)	49,259	98,788	255,564
Profit and total comprehensive income for the year	–	–	–	–	–	19,821	19,821
Shares purchased for share award scheme	–	–	–	(5,535)	–	–	(5,535)
Recognition of equity-settled share-based payment expenses under share award scheme *(note 35)*	–	–	2,736	–	–	–	2,736
Shares vested under share award scheme *(note 35)*	–	–	(602)	716	–	(114)	–
Dividends recognised as distribution	–	–	–	–	–	(49,131)	(49,131)
At 31st March, 2021	110,750	10,132	11,219	(27,269)	49,259	69,364	223,455

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

Movement of reserves (Continued)

The contributed surplus of the Company represents the difference between the consolidated shareholders' funds of Yeebo (B.V.I.) Limited at the date on which it was acquired by the Company, and the nominal amount of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1993. Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus, if:

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

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

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) Details of the Company's principal subsidiaries at 31st March, 2021 and 2020 were as follows:

Name of subsidiaries	Legal form of business	Place of incorporation or registration/ operations	Issued and fully paid up share/ registered capital	Percentage of nominal value of issued shares/registered capital held by the Company 2021	2020	Principal activities
Billion Power *(Notes 1 and 2)*	Incorporated	Hong Kong	HK$1	**100%**	100%	Investment holding
Crown Capital *(Notes 1, 2 and 3)*	Incorporated	BVI	US$8,502	**47.05%**	47.05%	Investment holding
Faith Crown International Limited *(Note 1)*	Incorporated	BVI	US$1	**100%**	100%	Investment holding
Jiangmen Yeebo Electronic Technology Limited *(Note 1)* 江門億都電子科技有限公司	Wholly-owned foreign enterprise	The PRC	US$3,708,314 registered capital	**100%**	100%	Manufacture of LCMs
Jiangmen Yeebo Semiconductor Co., Limited *(Note 1)* 江門億都半導體有限公司	Wholly-owned foreign enterprise	The PRC	US$53,001,371 registered capital	**100%**	100%	Manufacture of LCDs and LCMs
Yeebo (B.V.I.) Limited *(Notes 1 and 2)*	Incorporated	BVI	US$8,100	**100%**	100%	Investment holding
Yeebo Display Limited *(Note 1)*	Incorporated	Hong Kong	HK$10,000	**100%**	100%	Trading of LCDs and LCMs
Yeebo LCD Limited *(Note 1)*	Incorporated	Hong Kong	HK$10,000	**100%**	100%	Trading of LCDs and LCMs and investment holding
Yeebo Manufacturing Limited *(Note 1)*	Incorporated	Hong Kong	HK$10,000	**100%**	100%	Trading of LCDs and LCMs
Shenzhen Yeebo Electronics Technology Co., Ltd. 深圳億都電子科技有限公司*(Note 1)*	Wholly-owned foreign enterprise	The PRC	RMB20,000,000 registered capital	**100%**	100%	Manufacture of LCD-related products

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

(a) Details of the Company's principal subsidiaries at 31st March, 2021 and 2020 were as follows:

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

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

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

During the year, the Group had acquired additional interest in certain non-wholly owned subsidiaries with immaterial consideration and they become wholly owned subsidiaries of the Company. None of the subsidiaries had any debt capital outstanding at the end of the year or at any time during the year.

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

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

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2021	2020	**2021**	2020	**2021**	2020
				HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Crown Capital	BVI	**52.95%**	52.95%	**4,696**	9,645	**39,631**	32,027
Individual immaterial subsidiaries with non-controlling interests				**5,580**	4,075	**14,666**	697
				10,276	13,720	**54,297**	32,724

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

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

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

Crown Capital

	2021 HK$'000	2020 HK$'000
Current assets	**30,727**	25,823
Current liabilities	**(8,512)**	(8,450)
Non-current assets	**52,631**	43,112
Equity attributable to owners of the Company	**35,215**	28,458
Non-controlling interests	**39,631**	32,027
Other gains and losses	**–**	19,127
Share of results of an associate	**9,564**	5,387
Expenses	**(695)**	(546)
Assignment of dividend to major shareholder of an associate	**–**	(5,752)
Profit for the year	**8,869**	18,216
Other comprehensive income	**5,491**	(3,476)

40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

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

Crown Capital (Continued)

	2021 HK$'000	2020 HK$'000
Profit attributable to owners of the Company	**4,173**	8,571
Other comprehensive income (expense) attributable to owners of the Company	**2,584**	(1,636)
Profit attributable to non-controlling interests	**4,696**	9,645
Other comprehensive income (expense) attributable to non-controlling interests	**2,907**	(1,840)
Profit and total comprehensive income for the year	**14,360**	14,740
Net cash outflow inflow from operating activities	**(50)**	(1,334)
Net cash inflow from investing activities	**4,954**	–
Net cash inflow (outflow)	**4,904**	(1,334)

41. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation of the consolidated financial statements.

FINANCIAL SUMMARY

RESULTS

	For the year ended 31st March,				
	2017	2018	2019	2020	**2021**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Revenue	906,175	953,600	934,152	813,153	**891,969**
Profit before income tax	507,617	141,544	359,994	146,189	**214,666**
Income tax expense	(54,192)	(13,823)	(37,578)	(8,647)	**(16,656)**
Profit for the year	453,425	127,721	322,416	137,542	**198,010**
Attributable to:					
Owners of the Company	442,408	120,598	288,747	123,822	**187,734**
Non-controlling interests	11,017	7,123	33,669	13,720	**10,276**
	453,425	127,721	322,416	137,542	**198,010**

ASSETS AND LIABILITIES

	As at 31st March,				
	2017	2018	2019	2020	**2021**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	***HK$'000***
Total assets	1,996,389	2,303,408	2,326,798	2,131,409	**2,532,000**
Total liabilities	(392,216)	(474,721)	(382,532)	(293,225)	**(374,318)**
	1,604,173	1,828,687	1,944,266	1,838,184	**2,157,682**
Equity attributable to owners of the Company	1,577,270	1,794,548	1,920,601	1,805,460	**2,103,385**
Non-controlling interests	26,903	34,139	23,665	32,724	**54,297**
	1,604,173	1,828,687	1,944,266	1,838,184	**2,157,682**