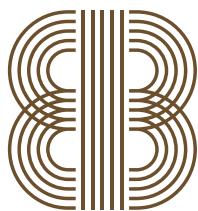


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**E. BON HOLDINGS LIMITED**

(Incorporated in the Cayman Islands with limited liability)

**怡邦行控股有限公司**

(Stock Code: 599)

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2012**

The Board of Directors (the “Board”) of E. Bon Holdings Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (together the “Group”) for the year ended 31 March 2012 as follows:

### **DIVIDEND**

The Board has resolved to recommend, at the forthcoming Annual General Meeting (the “AGM”) to be held on 24 January 2013, a final dividend payment of HK2.0 cents (as compared to 2011: HK3.0 cents) per share for the year ended 31 March 2012.

If it is duly approved by the members at the AGM, the Final Dividend payment will be distributed/made to members, whose names appear on the principal or branch register of members of the Company in the Cayman Islands or Hong Kong respectively (collectively the “Register of Members”) as at the close of business on 21 January 2013, on 7 February 2013.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Result of Operations**

For the year ended 31 March 2012, the Group’s operating profit was HK\$25.4 million (2011: HK\$15.4 million, as restated), which increased by 64.9% from the prior year. Profit after tax approximated HK\$19.4 million (2011: HK\$11.7 million, as restated), which increased by 65.8% from the prior year, while the Group’s turnover increased by 9.6% from the prior year to reach HK\$406.7 million (2011: HK\$371.2 million, as restated). Earnings per share has increased from HK3.9 cents to HK6.5 cents, representing an increase of 65.8%. Our borrowings have also increased from HK\$41.2 million to HK\$89.7 million as a result of the increased purchase to cope with the deliveries made soon after the end of current financial year as detailed in the following paragraphs.

As discussed in our Interim Report, the Hong Kong Government has implemented measures to cool down property market, especially on small to medium-sized apartments. This has slowed down the rate of completion of the real estate till the beginning of financial year 2013. The Group has kept sufficient inventories to meet with the upcoming demand and continues to be vigilant to the ever-changing property market.

The inflationary pressure and increased market rent have caused an increase of 14.2% in our operating expenses. Our showrooms in Hong Kong and Shanghai are affected by the high running costs and expenses. Despite the high labour and operation costs in both Hong Kong and Shanghai, management has managed to control the other operating costs without slowing down its expansion plan in China.

### **Wholesale/Retail**

Our retail operation recorded a significant growth and recorded sales of HK\$126.6 million for the year ended 31 March 2012 (2011: HK\$104.6 million, as restated). While the drastic upsurge in rentals remains the key challenges for cost control, we have adopted a corporate policy of keeping retail outlets and showrooms away from prime shopping areas designated for jewellery and branded consumer goods.

Our wholesale segment recorded a sales of HK\$266.6 million, which increased by 6.7% from the prior year. Going along with the popularity of luxurious housing in Hong Kong, we have been providing premier products to suit the market needs. During the current year, we supplied products to property development projects like Azura, Park Summit, One Mayfair, Lion's Rise and The Hampton.

Capitalising on our proven success in Hong Kong, we developed our presence in China. As a milestone of our development in China, we have recently opened a flagship store displaying premier kitchen fittings and furniture.

### **Interior decoration**

Following the success in prior years, notably the interior decoration project for Shanghai International Finance Centre, we have expanded our presence in China and widened our scope of services to our customers, enabling us to establish goodwill and reputation in the local market. Revenue for the year in our interior decoration segment was HK\$13.5 million (2011: HK\$16.7 million).

### **Financial Resources and Liquidity**

The Group continues to expand its business in Hong Kong and China through adoption of a prudent financial management policy. The current ratio and quick ratio are 1.7 (2011: 2.3, as restated) and 0.8 (2011: 1.2, as restated), respectively, while cash and cash equivalents approximated HK\$33.5 million (2011: HK\$44.0 million) as at 31 March 2012. The Group's gearing ratio (the ratio is calculated as net debt divided by total capital) reached 16.5% at 31 March 2012. The interest-bearing borrowings of the Group, including bills payable and trust receipt loans, increased to HK\$89.7 million (2011: HK\$41.2 million) as at 31 March 2012.

As at 31 March 2012, some of the Group's loan agreements are subject to covenant clauses, whereby the Group is required to meet certain key performance indicators. The Group did not fulfil the current ratio and quick ratio as set out in the loan agreement for a credit line of HK\$40,000,000, of which the Group has drawn bills payable and trust receipt loans of HK\$7,590,000 and bank overdrafts of HK\$4,630,000, totalling HK\$12,220,000, as at 31 March 2012.

With this breach of the covenant clause, the bank is contractually entitled to request immediate repayment of the outstanding amount of HK\$12,220,000 and cancel the undrawn facilities. These borrowings were settled subsequently.

Borrowings and cash and cash equivalents are primarily denominated in Hong Kong Dollars ("HK\$"); the foreign exchange risk is considered to be insignificant.

## **People**

As at 31 March 2012, our workforce increased to 185 employees (2011: 173).

## **Future Prospects**

As announced on 21 June 2012, we welcome Mr. TSE Sun Wai, Albert as a new member of the Board and Vice Chairman of the Company. In view of the ever rapidly-changing market environment, the Board believes that his appointment would make a significant contribution to the growth of the Group, especially to ensure good corporate governance practices and procedures in place and to provide valuable advice on new business development.

Recent effort by the Hong Kong Government in residential property developments is expected to boost its supply in coming years. We believe that an expansion in construction projects is likely to be on the horizon.

After 30 years of economic reforms in China, we noted more redevelopment projects in cities like Beijing and Shanghai. While taking part in these projects, we also see opportunities in renovation projects in China. Capitalising on our relationships through working with property developers in Hong Kong for years, we will continue to collaborate with distinguished customers on various projects, including newly-developed luxurious housing and hotels, refurbishment and renovation projects in China.

While it is expected that the inflationary pressure in rentals and salary will continue, we shall be attentive to this threat while developing our edge to maintain our competitiveness. We will also make use of our strengths to expand our presence in other related projects.

We have focused on long-term corporate growth even though we expect some temporary turbulence in our market due to the financial and economic uncertainties. By providing quality products and services in the past, we have established reputation and good relationship with our customers. In the new financial year, we will supply goods for property projects including Chatham Gate, Marinella, Providence Bay and Riverpark. We are pleased to report that, despite uncertainties over the economy, the Group has secured order on hand of HK\$321 million as at 31 March 2012, comparing with HK\$113 million (increased by 184%) at 31 March 2011.

## **UPDATE SINCE JUNE 2012**

The trading of the Company's shares has been suspended since 29 June 2012 because the Company and Grant Thornton Jingdu Tianhua ("Grant Thornton"), the former auditor of the Company, could not reach a consensus on (1) the level of provision for inventory obsolescence required and (2) the recoverability of trade receivables as at 31 March 2012.

On 3 July 2012, Grant Thornton resigned as the Company's auditor. The circumstance leading to their resignation is that both the filing of (1) our result announcement on 24 June 2012 and (2) our clarification announcement on 29 June 2012 were made without agreed by them.

PricewaterhouseCoopers ("PwC") accepted the appointment as auditor of the Company on 18 July 2012 to fill the casual vacancy arising from the resignation of Grant Thornton and to hold office until the conclusion of the next annual general meeting.

Subsequent to the change of auditors, the management took the opportunity to review the existing accounting policies with a view to avoid unnecessary misunderstanding of accounting treatments and streamlining the data flow of the accounting system especially, on inventory, the review would inevitably results in the reclassifications and adjustments to financial position of the group in prior years, these adjustments are detailed in Note 2.

Management considered that further enhancement of the corporate structure and resources is a must. The Group set forth plans, which include strengthening its financial function, to ensure a high standard of corporate governance will be achieved.

In July 2012, certain executive directors and a Company's shareholder who is also a relative to those executive directors have collectively advanced loans of HK\$29,667,000 to the Group. The amount was denominated in HK\$, unsecured and interest free. The executive directors and shareholder have confirmed their intention not to demand repayment of these loans before 31 December 2013.

## **CORPORATE GOVERNANCE**

E. Bon Holdings Limited is committed to achieve high standards of corporate governance to properly protect and promote the interests of its shareholders.

Full details of the Corporate Governance Report are set out in the 2012 Annual Report of the Company.

## **COMPLIANCE OF CODE ON CORPORATE GOVERNANCE PRACTICES**

In the opinion of the directors, the Company has complied with the code provisions listed in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 March 2012, with the exception of the following deviation:

Under the code provision A.4.1, non-executive directors should be appointed for a specific term. Currently, non-executive directors are not appointed for a specific term of service. This constitutes a deviation from code provision A.4.1. However, they are subject to retirement by rotation at each annual general meeting under the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the Code.

## **COMPLIANCE OF MODEL CODE FOR SECURITIES TRANSACTIONS**

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors. Having made specific enquiry of the directors, all directors have complied with the required standards set out in the Model Code throughout the year ended 31 March 2012.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. LEUNG Kwong Kin, *J.P.* (Chairman), Mr. WONG Wah, Dominic and Mr. WAN Sze Chung. The Audit Committee has reviewed, with the management, the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the consolidated financial statements for the year ended 31 March 2012.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	2012 HK\$'000	2011 HK\$'000 (Restated) (Note 2)
<b>Revenue</b>	3	<b>406,673</b>	371,237
Cost of sales		<u>(242,771)</u>	<u>(235,545)</u>
<b>Gross profit</b>		<b>163,902</b>	135,692
Other income	3	<b>1,142</b>	1,929
Distribution costs		<b>(74,852)</b>	(63,488)
Administrative expenses		<u><b>(64,788)</b></u>	<u>(58,757)</u>
<b>Operating profit</b>		<b>25,404</b>	15,376
Finance income		<b>141</b>	59
Finance costs		<u><b>(847)</b></u>	<u>(589)</u>
Finance costs, net		<u><b>(706)</b></u>	<u>(530)</u>
<b>Profit before income tax</b>	4	<b>24,698</b>	14,846
Income tax expense	5	<u><b>(5,331)</b></u>	<u>(3,164)</u>
<b>Profit for the year attributable to equity holders of the Company</b>		<u><b>19,367</b></u>	<u>11,682</u>
<b>Other comprehensive income</b>			
Exchange gain on translation of financial statements of foreign operations		<b>285</b>	602
Surplus on revaluation of properties held for own use		<b>11,011</b>	40,627
Tax effect relating to components of other comprehensive income		<u><b>(1,410)</b></u>	<u>(6,740)</u>
<b>Other comprehensive income for the year, net of tax</b>		<u><b>9,886</b></u>	<u>34,489</u>
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>		<u><b>29,253</b></u>	<u>46,171</u>
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents per share)			
— Basic and diluted	7	<u><b>6.5 cents</b></u>	<u>3.9 cents</u>
Dividends attributable to the year	6	<u><b>9,009</b></u>	<u>18,018</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2012**

		At 31 March 2012 HK\$'000	At 31 March 2011 HK\$'000 (Restated) (Note 2)	At 1 April 2010 HK\$'000 (Restated) (Note 2)
	Notes			
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		141,493	130,395	87,445
Deferred income tax assets		2,273	2,821	3,828
Trade, retention and other receivables	8	15,205	13,291	11,591
		<u>158,971</u>	<u>146,507</u>	<u>102,864</u>
<b>Current assets</b>				
Inventories		185,055	112,482	110,819
Current income tax recoverable		2,193	2,911	1,599
Trade, retention and other receivables	8	111,163	90,146	110,010
Cash and cash equivalents		33,457	43,984	51,918
		<u>331,868</u>	<u>249,523</u>	<u>274,346</u>
<b>Total assets</b>		<u><u>490,839</u></u>	<u><u>396,030</u></u>	<u><u>377,210</u></u>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital		30,030	30,030	23,100
Reserves		255,382	242,787	216,603
<b>Total equity</b>		<u>285,412</u>	<u>272,817</u>	<u>239,703</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	9	48,342	33,432	28,593
Receipt in advance	9	46,989	32,092	34,815
Borrowings		89,719	41,181	60,865
Current income tax liabilities		6,509	4,050	7,516
		<u>191,559</u>	<u>110,755</u>	<u>131,789</u>

	At 31 March 2012 HK\$'000	At 31 March 2011 HK\$'000 (Restated) (Note 2)	At 1 April 2010 HK\$'000 (Restated) (Note 2)
Notes			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	<u>13,868</u>	<u>12,458</u>	<u>5,718</u>
<b>Total liabilities</b>	<u>205,427</u>	<u>123,213</u>	<u>137,507</u>
<b>Total equity and liabilities</b>	<u>490,839</u>	<u>396,030</u>	<u>377,210</u>
<b>Net current assets</b>	<u>140,309</u>	<u>138,768</u>	<u>142,557</u>
<b>Total assets less current liabilities</b>	<u>299,280</u>	<u>285,275</u>	<u>245,421</u>

Notes:

## 1. BASIS OF PREPARATION

The consolidated financial statements of E. Bon Holdings Limited have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of leasehold land and buildings.

### Adoption of new and amended standards by the Group

#### *The adoption of new/revised standards, amendments to existing standards and interpretations*

In the current year, the Group have applied, for the first time, the following new standards, amendments and interpretations (the “new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are applicable to the Group’s financial statements beginning on 1 April 2011.

HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC)-Int 14 Amendment	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Annual Improvements Project	Improvements to HKFRSs 2010

The adoption of these amendments and interpretations does not have a material financial impact on the Group’s results and financial position for the current year.



## **Going Concern**

During the year, the Group had net cash outflows in operating activities of HK\$29,502,000. The Group meets its day-to-day working capital requirements through internally generated funds and its available bank facilities. The trading of shares of the Company has been suspended since 29 June 2012. Certain banks have therefore suspended the banking facilities offered to the Group thereafter. In addition, the Group was found to have breached the loan covenants of certain bank loans after the reporting date. These create uncertainties over the availability of bank facilities to the Group in the foreseeable future.

Certain executive directors and a Company's shareholder who is also a relative to those executive directors, have collectively advanced loans of HK\$29,667,000 to the Group in July 2012, and have confirmed their intention not to demand the repayment of these loans before 31 December 2013. The Group's forecasts and projections, taking into account of reasonably possible changes in trading performance and the loans from the executive directors and the shareholder, show that the Group should be able to operate within the level of its current operation. The Directors confirmed that the Group will have adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements for the year ended 31 March 2012.

## **2. RESTATEMENTS DUE TO CORRECTION OF PRIOR YEAR ERRORS**

In preparing the Group's consolidated financial statements for the year ended 31 March 2012, the Group has identified certain errors in the comparative financial information presented. A detailed description of the nature of each prior year error is provided in notes 2(a) to 2(i) below. The amounts of the prior year correction for each financial statement line item affected are presented in the tables in notes 2(j)(i) to 2(j)(iii) below.

### **(a) Provision for inventory obsolescence**

As at 31 March 2011 and 1 April 2010, the Group applied a policy to estimate the amount of provision for inventory obsolescence, primarily by reference to the ageing of the inventories as at the respective reporting dates. In general, provision was made on the basis that inventories were deemed to be not saleable nine months after their purchase and a provision equivalent to 10% of the cost of the inventories was made each month until the net carrying cost of inventories after provision was reduced to nil.

This basis of estimating inventory obsolescence has not considered other relevant factors such as the Group's past history to successfully sell the inventories at or above cost despite a provision being made, or the amount of inventories which had been sold after the end of the reporting period but prior to the issuance of the respective consolidated financial statements. Given that the information relating to these factors, which was available to management when the prior period's financial statements were finalised, or that could reasonably be expected to have been obtained, had not been taken into account by management, the previous basis of estimating the amount of inventory provision does not comply with HKAS 2 – Inventories, which requires the estimates of net realisable value to be based on the most reliable evidence available at the time the estimates are made.

The Group had performed a reassessment based on the information available at each reporting date, and has concluded that inventories should be increased by HK\$22,040,000 and HK\$21,825,000 at 31 March 2011 and 1 April 2010 respectively, and cost of sales for the year ended 31 March 2011 should be reduced by HK\$215,000 with corresponding adjustments on the tax related accounts as detailed in note 2(j).

**(b) Revenue recognition of variations and claims, and capitalisation of amount due from customers for contract work**

During the year ended 31 March 2011, the Group had substantially completed a construction project in People's Republic of China ("the PRC"), with the related revenue recognised during that year including variations in contract work and claims made by the Group. However, as at 31 March 2011, there was no appropriate evidence available to management to support the view that the customer would approve the variations and claims, nor there was an appropriate basis to allow management to reliably measure the amount of revenue arising from such variations and claims. As a result, the related revenue should not have been recognised for the year ended 31 March 2011 in accordance with HKAS 11 – Construction Contracts. Revenue should be reduced by HK\$31,325,000 for the year ended 31 March 2011, and accounts receivable as at 31 March 2011 should be reduced by HK\$32,085,000 with corresponding adjustments on the tax related accounts and exchange reserve as detailed in note 2(j).

In addition, the Group had expensed off costs incurred for variations and claims of the construction project. Under HKAS 11 – Construction Contracts, costs incurred plus recognised profit less sum of recognised losses and progress billings should be capitalised as amount due from customers for contract work. As a result, amount due from customers for contract work included in trade, retention and other receivable as at 31 March 2011 should be increased by HK\$6,937,000 and costs of sales for the year ended 31 March 2011 should be reduced by HK\$6,772,000 with corresponding adjustments on the tax related accounts and exchange reserve as detailed in note 2(j).

**(c) Timing of recognising share option expense**

On 27 January 2011, the Company granted to certain directors and employees 7,700,000 share options with total estimated fair value of HK\$2,047,000. Such options have a vesting period of one year. The entire fair value of such options was recognised immediately as expense in the consolidated statement of comprehensive income for the year ended 31 March 2011. However, in accordance with HKFRS 2 – Share-based Payment, the value of the options should be recognised as expense over the options' vesting period of one year, rather than immediate recognition. As a result, share-based payment expense included in administrative expenses should be reduced by approximately HK\$1,706,000 for the year ended 31 March 2011 and the related share option reserve of the Company and of the Group as at 31 March 2011 should be reduced by the same amount.

**(d) Revenue recognised on a cash basis in respect of customer deposit**

The Group normally requests its customers to pay deposits in advance of delivery of goods. During the years ended 31 March 2011 and 31 March 2010, the Group had incorrectly recognised certain customer deposit as revenue in advance of goods delivery. In accordance with HKAS 18 – Revenue, revenue from sales of goods is recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customer. To reflect the proper timing of the transfer of risks and rewards of ownership of the goods to customer, revenue for the year ended 31 March 2011 should be increased by HK\$14,322,000. As at 31 March 2011 and 1 April 2010, the receipt in advance account in liabilities should be increased by HK\$10,144,000 and HK\$24,466,000, respectively with corresponding adjustments in tax related accounts as detailed in note 2(j).

**(e) Revaluation of land and buildings held for own use in the PRC and errors in calculating deferred tax liabilities arising from revaluation of properties in Hong Kong**

Leasehold land and buildings of the Group are stated at revalued amount, being their fair value at the reporting date pursuant to the Group's policy. However, the leasehold land and buildings held by the Group in the PRC were incorrectly carried at cost less accumulated depreciation as at 1 April 2010. Accordingly, the carrying amount of property, plant and equipment, exchange reserve and deferred tax liabilities should be increased by HK\$1,881,000, HK\$1,185,000, and HK\$1,091,000 respectively and revaluation reserve should be decreased by HK\$303,000 at 31 March 2011. The carrying amount of property, plant and equipment, revaluation reserve, exchange reserve and deferred tax liabilities should be increased by HK\$3,812,000, HK\$1,921,000, HK\$933,000, and HK\$958,000 respectively at 1 April 2010. Profit before tax for the year ended 31 March 2011 should be decreased by approximately HK\$92,000, as a result of the increased depreciation expense.

In addition, the deferred tax liabilities arising from the revaluation gain on the properties in Hong Kong for the year ended 31 March 2011 had been understated. As a result, revaluation reserve should be reduced by HK\$9,094,000 and deferred tax liabilities should be increased by the same amount as at 31 March 2011.

**(f) Reclassification of freight-in charges and depreciation of renovated retail stores**

During the year ended 31 March 2011, freight-in charges of approximately HK\$5,833,000 were incorrectly classified as distribution costs. These charges should however be included in cost of inventories when incurred (note 2(i)) and then in cost of sales when the inventories are sold. In addition, the Group had incorrectly classified depreciation expenses related to renovated retail stores of HK\$5,249,000 in administrative expenses. These expenses should be related to the selling activities of the Group and should be classified as distribution costs. As a result of the above, cost of sales should be increased by HK\$5,833,000, administrative expenses and distribution costs should be reduced by HK\$5,249,000 and HK\$584,000, respectively for the year ended 31 March 2011.

**(g) Goods in transit**

As at 31 March 2011, the Group recognised certain goods in transit of approximately HK\$3,736,000 as inventories despite the related risks and rewards of ownership had not been transferred to the Group based on the terms of the contract with suppliers. As a result, inventories should be reduced by HK\$3,736,000 and trade payables should be reduced by the same amount as at 31 March 2011.

**(h) Reclassification of rental deposits, retention receivables and prepayments for property, plant and equipment as non-current assets**

At 31 March 2011 and 1 April 2010, certain rental deposits, retention receivables and prepayments for purchase of property, plant and equipment of the Group, which were expected to realise in more than one year after the respective reporting periods, were incorrectly classified as current assets in the consolidated statement of financial position. As a result, trade, retention and other receivables of approximately HK\$11,874,000 and HK\$11,591,000 at 31 March 2011 and 1 April 2010, respectively, were reclassified to non-current assets.

**(i) Capitalisation of freight-in charges**

During the years ended 31 March 2011 and 2010, the Group expensed freight-in charges for inventories. However, in accordance with HKAS 2 – Inventories, such charges are included in the cost of inventories to the extent that they are incurred in bringing the inventories to their present location and condition. As a result, inventories should be increased by HK\$3,834,000 and HK\$4,252,000 as at 31 March 2011 and 1 April 2010, respectively and costs of sales for the year ended 31 March 2011 should be increased by HK\$418,000 with corresponding adjustments on tax related accounts as detailed in note 2(j).

**(j) Summary of the effects of restatements due to correction of prior year errors**

The following is a summary of effects of restatements due to correction of prior year errors on:

- (i) the Group's consolidated statement of comprehensive income for the year ended 31 March 2011;
- (ii) the Group's consolidated statement of financial position as at 31 March 2011; and
- (iii) the Group's consolidated statement of financial position as at 1 April 2010.

*(i) Effect on error correction on the Group's consolidated statement of comprehensive income for the year ended 31 March 2011*

	As previously reported HK\$'000	Note 2(a) HK\$'000	Note 2(b) HK\$'000	Note 2(c) HK\$'000	Note 2(d) HK\$'000	Note 2(e) HK\$'000	Note 2(f) HK\$'000	Note 2(i) HK\$'000	As restated HK\$'000
Revenue	388,240	-	(31,325)	-	14,322	-	-	-	371,237
Cost of sales	(236,281)	215	6,772	-	-	-	(5,833)	(418)	(235,545)
<b>Gross profit</b>	<b>151,959</b>	<b>215</b>	<b>(24,553)</b>	<b>-</b>	<b>14,322</b>	<b>-</b>	<b>(5,833)</b>	<b>(418)</b>	<b>135,692</b>
Other income	1,929	-	-	-	-	-	-	-	1,929
Distribution costs	(64,072)	-	-	-	-	-	584	-	(63,488)
Administrative expenses	(65,620)	-	-	1,706	-	(92)	5,249	-	(58,757)
<b>Operating profit</b>	<b>24,196</b>	<b>215</b>	<b>(24,553)</b>	<b>1,706</b>	<b>14,322</b>	<b>(92)</b>	<b>-</b>	<b>(418)</b>	<b>15,376</b>
Finance costs, net	(530)	-	-	-	-	-	-	-	(530)
<b>Profit before income tax</b>	<b>23,666</b>	<b>215</b>	<b>(24,553)</b>	<b>1,706</b>	<b>14,322</b>	<b>(92)</b>	<b>-</b>	<b>(418)</b>	<b>14,846</b>
Income tax expense	(6,168)	(70)	4,806	-	(1,770)	-	-	38	(3,164)
<b>Profit for the year attributable to equity holders of the Company</b>	<b>17,498</b>	<b>145</b>	<b>(19,747)</b>	<b>1,706</b>	<b>12,552</b>	<b>(92)</b>	<b>-</b>	<b>(380)</b>	<b>11,682</b>
<b>Other comprehensive income</b>									
Exchange gain on translation of financial statements of foreign operations	829	-	(479)	-	-	252	-	-	602
Surplus on revaluation of properties held for own use	42,718	-	-	-	-	(2,091)	-	-	40,627
Tax effect relating to components of other comprehensive income	2,487	-	-	-	-	(9,227)	-	-	(6,740)
<b>Other comprehensive income for the year, net of tax</b>	<b>46,034</b>	<b>-</b>	<b>(479)</b>	<b>-</b>	<b>-</b>	<b>(11,066)</b>	<b>-</b>	<b>-</b>	<b>34,489</b>
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>	<b>63,532</b>	<b>145</b>	<b>(20,226)</b>	<b>1,706</b>	<b>12,552</b>	<b>(11,158)</b>	<b>-</b>	<b>(380)</b>	<b>46,171</b>
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK cents)									
— Basic and diluted	5.8 cents	0.1 cents	(6.6) cents	0.6 cents	4.1 cents	-	-	(0.1) cents	3.9 cents

(ii) *Effect on error correction on the Group's consolidated statement of financial position as at 31 March 2011*

	As previously reported HK\$'000	Note 2(a) HK\$'000	Note 2(b) HK\$'000	Note 2(c) HK\$'000	Note 2(d) HK\$'000	Note 2(e) HK\$'000	Note 2(g) HK\$'000	Note 2(h) HK\$'000	Note 2(i) HK\$'000	As restated HK\$'000
<b>ASSETS</b>										
<b>Non-current assets</b>										
Property, plant and equipment	128,514	-	-	-	-	1,881	-	-	-	130,395
Deferred income tax assets	2,049	191	-	-	569	-	-	-	12	2,821
Trade, retention and other receivables	-	-	1,417	-	-	-	-	11,874	-	13,291
	<u>130,563</u>	<u>191</u>	<u>1,417</u>	<u>-</u>	<u>569</u>	<u>1,881</u>	<u>-</u>	<u>11,874</u>	<u>12</u>	<u>146,507</u>
<b>Current assets</b>										
Inventories	90,344	22,040	-	-	-	-	(3,736)	-	3,834	112,482
Current income tax recoverable	2,606	(1,145)	656	-	922	-	-	-	(128)	2,911
Trade, retention and other receivables	128,585	-	(26,565)	-	-	-	-	(11,874)	-	90,146
Cash and cash equivalents	43,984	-	-	-	-	-	-	-	-	43,984
	<u>265,519</u>	<u>20,895</u>	<u>(25,909)</u>	<u>-</u>	<u>922</u>	<u>-</u>	<u>(3,736)</u>	<u>(11,874)</u>	<u>3,706</u>	<u>249,523</u>
<b>Total assets</b>	<u>396,082</u>	<u>21,086</u>	<u>(24,492)</u>	<u>-</u>	<u>1,491</u>	<u>1,881</u>	<u>(3,736)</u>	<u>-</u>	<u>3,718</u>	<u>396,030</u>
<b>EQUITY</b>										
<b>Equity attributable to equity holders of the Company</b>										
Share capital	30,030	-	-	-	-	-	-	-	-	30,030
Revaluation reserve	73,643	-	-	-	-	(9,397)	-	-	-	64,246
Exchange reserve	1,470	-	(479)	-	-	1,185	-	-	-	2,176
Share option reserve	2,047	-	-	(1,706)	-	-	-	-	-	341
Other reserves and share premium.	41,367	-	-	-	-	-	-	-	-	41,367
Retained earnings as at 1 April 2010	135,803	18,224	-	-	(21,205)	-	-	-	3,551	136,373
Profit for the year	17,498	145	(19,747)	1,706	12,552	(92)	-	-	(380)	11,682
Dividends	(13,398)	-	-	-	-	-	-	-	-	(13,398)
<b>Total equity</b>	<u>288,460</u>	<u>18,369</u>	<u>(20,226)</u>	<u>-</u>	<u>(8,653)</u>	<u>(8,304)</u>	<u>-</u>	<u>-</u>	<u>3,171</u>	<u>272,817</u>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Trade and other payables	37,168	-	-	-	-	-	(3,736)	-	-	33,432
Receipt in advance	21,948	-	-	-	10,144	-	-	-	-	32,092
Borrowings	41,181	-	-	-	-	-	-	-	-	41,181
Current income tax liabilities	5,052	2,717	(4,266)	-	-	-	-	-	547	4,050
	<u>105,349</u>	<u>2,717</u>	<u>(4,266)</u>	<u>-</u>	<u>10,144</u>	<u>-</u>	<u>(3,736)</u>	<u>-</u>	<u>547</u>	<u>110,755</u>
<b>Non-current liabilities</b>										
Deferred income tax liabilities	2,273	-	-	-	-	10,185	-	-	-	12,458
<b>Total liabilities</b>	<u>107,622</u>	<u>2,717</u>	<u>(4,266)</u>	<u>-</u>	<u>10,144</u>	<u>10,185</u>	<u>(3,736)</u>	<u>-</u>	<u>547</u>	<u>123,213</u>
<b>Total equity and liabilities</b>	<u>396,082</u>	<u>21,086</u>	<u>(24,492)</u>	<u>-</u>	<u>1,491</u>	<u>1,881</u>	<u>(3,736)</u>	<u>-</u>	<u>3,718</u>	<u>396,030</u>

(iii) *Effect on error correction on the Group's consolidated statement of financial position as at 1 April 2010*

	As previously reported HK\$'000	Note 2(a) HK\$'000	Note 2(d) HK\$'000	Note 2(e) HK\$'000	Note 2(h) HK\$'000	Note 2(i) HK\$'000	As restated HK\$'000
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	83,633	–	–	3,812	–	–	87,445
Deferred income tax assets	1,570	–	2,258	–	–	–	3,828
Trade, retention and other receivable	–	–	–	–	11,591	–	11,591
	<u>85,203</u>	<u>–</u>	<u>2,258</u>	<u>3,812</u>	<u>11,591</u>	<u>–</u>	<u>102,864</u>
<b>Current assets</b>							
Inventories	84,742	21,825	–	–	–	4,252	110,819
Current income tax recoverable	1,378	(635)	1,003	–	–	(147)	1,599
Trade, retention and other receivables	121,601	–	–	–	(11,591)	–	110,010
Cash and cash equivalents	51,918	–	–	–	–	–	51,918
	<u>259,639</u>	<u>21,190</u>	<u>1,003</u>	<u>–</u>	<u>(11,591)</u>	<u>4,105</u>	<u>274,346</u>
<b>Total assets</b>	<u>344,842</u>	<u>21,190</u>	<u>3,261</u>	<u>3,812</u>	<u>–</u>	<u>4,105</u>	<u>377,210</u>
<b>EQUITY</b>							
<b>Equity attributable to equity holders of the Company</b>							
Share capital	23,100	–	–	–	–	–	23,100
Revaluation reserve	28,438	–	–	1,921	–	–	30,359
Exchange reserve	641	–	–	933	–	–	1,574
Share option reserve	261	–	–	–	–	–	261
Other reserves and share premium	48,036	–	–	–	–	–	48,036
Retained earnings	135,803	18,224	(21,205)	–	–	3,551	136,373
<b>Total equity</b>	<u>236,279</u>	<u>18,224</u>	<u>(21,205)</u>	<u>2,854</u>	<u>–</u>	<u>3,551</u>	<u>239,703</u>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables	28,593	–	–	–	–	–	28,593
Receipt in advance	10,349	–	24,466	–	–	–	34,815
Borrowings	60,865	–	–	–	–	–	60,865
Current income tax liabilities	3,996	2,966	–	–	–	554	7,516
	<u>103,803</u>	<u>2,966</u>	<u>24,466</u>	<u>–</u>	<u>–</u>	<u>554</u>	<u>131,789</u>
<b>Non-current liabilities</b>							
Deferred income tax liabilities	4,760	–	–	958	–	–	5,718
<b>Total liabilities</b>	<u>108,563</u>	<u>2,966</u>	<u>24,466</u>	<u>958</u>	<u>–</u>	<u>554</u>	<u>137,507</u>
<b>Total equity and liabilities</b>	<u>344,842</u>	<u>21,190</u>	<u>3,261</u>	<u>3,812</u>	<u>–</u>	<u>4,105</u>	<u>377,210</u>

### 3. REVENUE, OTHER INCOME AND SEGMENT INFORMATION

	2012 HK\$'000	2011 HK\$'000 (Restated) (Note 2)
<b>Revenue</b>		
Sale of goods	393,154	354,570
Sale of services	13,519	16,667
	<u>406,673</u>	<u>371,237</u>
<b>Other income</b>		
Net foreign exchange gain	1	1,265
Others	1,141	664
	<u>1,142</u>	<u>1,929</u>
	<u><u>407,815</u></u>	<u><u>373,166</u></u>

The Executive Directors are the Group's chief operating decision-makers. Management has determined the operating segments based on the information reviewed by the Executive Directors for the purposes of allocating resources and assessing performance.

The Executive Directors evaluate regularly the performance of the Group's business from its wholesale, retail and interior decoration activities. The wholesale segment derives its revenue primarily from importing and the wholesale of architectural builders hardware, bathroom, kitchen collections and furniture to contractors, property developers and dealers. The retail segment derives its revenue from sale of architectural builders hardware, bathroom, kitchen collections and furniture through the Group's retail outlets. The interior decoration segment derives its revenue from the provision of interior decoration and construction services primarily in the PRC.

During the current year, the Group has changed its segment information disclosure to include the results of its interior decoration business, the corresponding information in prior years has been properly restated.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that finance costs, income tax and corporate income and expenses which are not directly attributable to the business activities of any operating segment, are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but deferred income tax assets and corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarters.

Segment liabilities exclude deferred income tax liabilities and corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

2012				
	Wholesale HK\$'000	Retail HK\$'000	Interior decoration HK\$'000	Total HK\$'000
<b>Revenue</b>				
From external customers	266,599	126,555	13,519	406,673
From other segments	—	—	—	—
<b>Reportable segment revenue</b>	<b>266,599</b>	<b>126,555</b>	<b>13,519</b>	<b>406,673</b>
<b>Reportable segment profit/(loss)</b>	<b>13,794</b>	<b>23,779</b>	<b>(1,782)</b>	<b>35,791</b>
Bank interest income	5	—	1	6
Depreciation and amortisation of non-financial assets	(5,321)	(2,829)	(299)	(8,449)
Provision for inventory obsolescence	(1,785)	(651)	—	(2,436)
<b>Reportable segment assets</b>	<b>245,913</b>	<b>70,607</b>	<b>15,982</b>	<b>332,502</b>
Additions to non-current segment assets during the year	6,584	1,750	2,601	10,935
<b>Reportable segment liabilities</b>	<b>66,163</b>	<b>30,509</b>	<b>163</b>	<b>96,835</b>
2011				
	Wholesale HK\$'000 (Restated) (Note 2)	Retail HK\$'000 (Restated) (Note 2)	Interior decoration HK\$'000 (Restated) (Note 2)	Total HK\$'000 (Restated) (Note 2)
<b>Revenue</b>				
From external customers	249,971	104,599	16,667	371,237
From other segments	6,307	—	—	6,307
<b>Reportable segment revenue</b>	<b>256,278</b>	<b>104,599</b>	<b>16,667</b>	<b>377,544</b>
<b>Reportable segment profit/(loss)</b>	<b>1,061</b>	<b>22,965</b>	<b>(3,828)</b>	<b>20,198</b>
Bank interest income	9	—	4	13
Depreciation and amortisation of non-financial assets	(4,153)	(1,350)	(82)	(5,585)
Provision for inventory obsolescence	(2,092)	(763)	—	(2,855)
<b>Reportable segment assets</b>	<b>185,420</b>	<b>41,899</b>	<b>6,401</b>	<b>233,720</b>
Additions to non-current segment assets during the year	6,571	2,550	397	9,518
<b>Reportable segment liabilities</b>	<b>37,663</b>	<b>29,014</b>	<b>204</b>	<b>66,881</b>



	2010			
	Wholesale HK\$'000 (Restated) (Note 2)	Retail HK\$'000 (Restated) (Note 2)	Interior decoration HK\$'000 (Restated) (Note 2)	Total HK\$'000 (Restated) (Note 2)
Reportable segment assets	208,466	36,200	544	245,210
Additions to non-current segment assets during the year	5,835	1,064	–	6,899
Reportable segment liabilities	<u>38,747</u>	<u>29,944</u>	<u>204</u>	<u>68,895</u>

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the consolidated financial statements as follows:

	2012 HK\$'000	2011 HK\$'000 (Restated) (Note 2)	2010 HK\$'000 (Restated) (Note 2)
Reportable segment revenues	<b>406,673</b>	377,544	
Elimination of inter segment revenues	<u>–</u>	<u>(6,307)</u>	
<b>Group revenues</b>	<b>406,673</b>	<b>371,237</b>	
Reportable segment profit	<b>35,791</b>	20,198	
Unallocated corporate income	<b>43</b>	813	
Unallocated corporate expenses	<b>(10,430)</b>	(5,635)	
Finance costs, net	<u><b>(706)</b></u>	<u>(530)</u>	
<b>Profit before income tax</b>	<b>24,698</b>	<b>14,846</b>	
Reportable segment assets	<b>332,502</b>	233,720	245,210
Deferred income tax assets	<b>2,273</b>	2,821	3,828
Other corporate assets	<u><b>156,064</b></u>	<u>159,489</u>	<u>128,172</u>
<b>Group assets</b>	<b>490,839</b>	<b>396,030</b>	<b>377,210</b>
Reportable segment liabilities	<b>96,835</b>	66,881	68,895
Deferred income tax liabilities	<b>13,868</b>	12,458	5,718
Borrowings	<b>89,719</b>	41,181	60,865
Other corporate liabilities	<u><b>5,005</b></u>	<u>2,693</u>	<u>2,029</u>
<b>Group liabilities</b>	<b>205,427</b>	<b>123,213</b>	<b>137,507</b>

## Geographical information

	Revenue from external customers		Non-current assets		
	2012 HK\$'000	2011 HK\$'000 (Restated) (Note 2)	2012 HK\$'000	2011 HK\$'000 (Restated) (Note 2)	2010 HK\$'000 (Restated) (Note 2)
Hong Kong (domicile)	378,060	333,346	145,144	142,026	100,625
Mainland China	28,613	37,891	13,827	4,481	2,239
Total	<u>406,673</u>	<u>371,237</u>	<u>158,971</u>	<u>146,507</u>	<u>102,864</u>

The geographical location of customers is based on the location at which the goods were delivered. The geographical location of the non-current assets is based on the physical location of the assets.

During the year, HK\$29,028,000 or 7% of the Group's revenues were derived from a single customer. These revenues are attributable to the wholesale segment (2011: HK\$47,751,000 or 13% of the Group's revenue attributable to the wholesale segment, as restated).

## 4. PROFIT BEFORE INCOME TAX

Profit before income tax is stated after depreciation of property, plant and equipment of HK\$11,289,000 (2011: HK\$8,121,000, as restated) and employee benefit expenses of HK\$50,736,000 (2011: HK\$44,754,000, as restated).

## 5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2012 HK\$'000	2011 HK\$'000 (Restated) (Note 2)
<b>Current tax</b>		
Hong Kong Profits Tax		
Current year	4,783	2,377
PRC Corporate Income Tax		
Over provisions in prior year	—	(220)
Total current tax	4,783	2,157
<b>Deferred taxation</b>	548	1,007
<b>Income tax expense</b>	<u>5,331</u>	<u>3,164</u>

## 6. DIVIDENDS

### (a) Dividends declared and paid during the year

	2012 HK\$'000	2011 HK\$'000
Special interim dividend in respect of 2010 of HK1.5 cents per share	–	3,465
Special bonus dividend in respect of 2011 of HK2 cents per share	6,006	–
Final dividend in respect of 2011 of HK3 cents (2011: in respect of 2010 of HK3 cents) per share	9,009	6,930
Interim dividend in respect of 2012 of HK1 cent per share (2011: in respect of 2011 of HK1 cent per share)	3,003	3,003
	<u>18,018</u>	<u>13,398</u>

### (b) Dividends attributable to the year

	2012 HK\$'000	2011 HK\$'000
Interim dividend of HK1 cent (2011: HK1 cent) per share	3,003	3,003
Nil bonus dividend (2011: HK2 cents) per share	–	6,006
Proposed final dividend of HK2 cents (2011: HK3 cents) per share (Note)	6,006	9,009
	<u>9,009</u>	<u>18,018</u>

Note:

A dividend in respect of the year ended 31 March 2012 of HK2 cents per share, amounting to a total dividend of HK\$6,006,000, was originally scheduled to be proposed at the annual general meeting to be held on 4 September 2012. Pursuant to the announcement made by the Company on 7 August 2012, the proposed date for the annual general meeting would be delayed until further notice. It was subsequently resolved that the annual general meeting be held on 24 January 2013. These financial statements do not reflect this dividend payable.

## 7. EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2012 HK\$'000	2011 HK\$'000 (Restated) (Note 2)
Profit attributable to owners of the Company	<u>19,367</u>	<u>11,682</u>
Weighted average number of ordinary shares in issue (thousands)	<u>300,300</u>	<u>300,300</u>

Bonus issue of shares on the basis of three shares for every ten shares held was approved during the annual general meeting held on 9 September 2010. 69,300,000 bonus shares were issued under the bonus issue and the number of shares of the Company outstanding increased to 300,300,000 thereafter. The weighted average number of ordinary shares in issue used to calculate the basic and diluted earnings per share for the year ended 31 March 2011 has been adjusted as if the bonus issue had occurred on 1 April 2010.

(b) Diluted

Diluted earnings per share for the year ended 31 March 2012 is the same as the basic earnings per share (2011: same) as the conversion of potential dilutive ordinary shares in relation to the share options issued by the Company would have an anti-dilutive effect to the basic earnings per share.

## 8. TRADE, RETENTION AND OTHER RECEIVABLES

Details of the trade, retention and other receivables as at 31 March 2012 are listed below:

	<b>At 31 March 2012 HK\$'000</b>	<b>Group At 31 March 2011 HK\$'000 (Restated) (Note 2)</b>	<b>At 1 April 2010 HK\$'000 (Restated) (Note 2)</b>
Trade receivables	<b>78,306</b>	65,344	92,737
Less: provision for doubtful debts	<b>(1,223)</b>	(1,223)	(1,223)
	<b>77,083</b>	64,121	91,514
Retention receivables	<b>7,847</b>	7,577	3,890
Amounts due from customers for contract work (Note a)	<b>8,867</b>	6,937	–
Other receivables, deposits and prepayments (Note b)	<b>32,571</b>	24,802	26,197
	<b>126,368</b>	103,437	121,601
Less: non-current portion			
Retention receivables	<b>(7,847)</b>	(7,577)	(3,890)
Deposits and prepayments	<b>(7,358)</b>	(5,714)	(7,701)
<b>Current portion</b>	<b>111,163</b>	90,146	110,010

All non-current receivables are due within five years from the end of the respective reporting dates.

The ageing analysis of trade receivables at the reporting date by due date is as follows:

	<b>Group</b>		
	At	At	At
	<b>31 March</b>	31 March	1 April
	<b>2012</b>	2011	2010
	<b>HK\$'000</b>	HK\$'000	HK\$'000
		(Restated)	(Restated)
		(Note 2)	(Note 2)
Current	<b>23,143</b>	23,413	40,201
1–90 days past due	<b>40,002</b>	22,556	28,477
91–180 days past due	<b>5,361</b>	9,910	7,443
181–270 days past due	<b>4,990</b>	1,227	2,989
271–365 days past due	<b>1,503</b>	5,647	3,483
Over 365 days past due	<b>3,307</b>	2,591	10,144
	<b>78,306</b>	65,344	92,737

The majority of the Group's sales are with credit terms of 30 to 90 days. In some cases, customers may be granted an extended credit period of up to 120 days.

The ageing analysis of trade receivables that are not impaired is as follows:

	<b>Group</b>		
	At	At	At
	<b>31 March</b>	31 March	1 April
	<b>2012</b>	2011	2010
	<b>HK\$'000</b>	HK\$'000	HK\$'000
		(Restated)	(Restated)
		(Note 2)	(Note 2)
Not yet past due	<b>23,143</b>	23,413	40,201
1–90 days past due	<b>40,002</b>	22,556	28,477
91–180 days past due	<b>5,361</b>	9,910	7,443
181–270 days past due	<b>4,990</b>	1,227	2,989
271–365 days past due	<b>1,503</b>	5,647	3,483
Over 365 days past due	<b>2,084</b>	1,368	8,921
	<b>77,083</b>	64,121	91,514

Receivables that were past due but not impaired relate to a wide range of customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are expected to be fully recoverable. The Group does not hold any collateral over these balances.

The movement in the provision for impairment of trade receivables is as follows:

	At 31 March 2012 HK\$'000	At 31 March 2011 HK\$'000	At 1 April 2010 HK\$'000
Balance at 1 April	1,223	1,223	1,015
Provision for impaired receivables	–	–	208
Balance at 31 March	<u>1,223</u>	<u>1,223</u>	<u>1,223</u>

At each reporting date, the Group reviews receivables for evidence of impairment on both an individual and collective basis. As at 31 March 2012, the Group has determined trade receivables of HK\$1,223,000 (2011: HK\$1,223,000, 2010: HK\$1,223,000) as individually impaired. The impaired trade receivables are due from customers experiencing financial difficulties that were in default or delinquency of payments.

**Note:**

(a) Construction contracts

	At 31 March 2012 HK\$'000	Group At 31 March 2011 HK\$'000	At 1 April 2010 HK\$'000
The aggregate incurred and recognised profits (less recognised losses) to date	59,399	48,657	–
Less: Progress billings	<u>(50,532)</u>	<u>(41,720)</u>	<u>–</u>
Net financial position for ongoing contracts	<u>8,867</u>	<u>6,937</u>	<u>–</u>

(b) As at 31 March 2012, included in other receivables were amounts due from related companies of HK\$369,000 (2011: HK\$1,313,000) which were unsecured, interest free and repayable on demand.

**9. TRADE AND OTHER PAYABLES AND RECEIPT IN ADVANCE**

	At 31 March 2012 HK\$'000	Group At 31 March 2011 HK\$'000 (Restated) (Note 2)	At 1 April 2010 HK\$'000 (Restated) (Note 2)
Trade payables	39,219	28,662	25,981
Accrued charges and other payables	<u>9,123</u>	<u>4,770</u>	<u>2,612</u>
	<u>48,342</u>	<u>33,432</u>	<u>28,593</u>
Receipt in advance	<u>46,989</u>	<u>32,092</u>	<u>34,815</u>

At 31 March 2012, the ageing analysis of the trade payables was as follows:

	<b>At 31 March 2012 HK\$'000</b>	<b>Group At 31 March 2011 HK\$'000 (Restated) (Note 2)</b>	<b>At 1 April 2010 HK\$'000 (Restated) (Note 2)</b>
0–90 days	<b>36,570</b>	25,900	24,007
91–180 days	<b>1,627</b>	67	1,925
181–270 days	<b>843</b>	1,321	25
271–365 days	<b>151</b>	1,366	–
Over 365 days	<b>28</b>	8	24
	<b>39,219</b>	28,662	25,981

## SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2012 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed as follows:

- (a) For the purpose of determining shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from 22 January 2013 to 24 January 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the right to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register in Hong Kong, Tricor Abacus Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 21 January 2013.
- (b) For the purpose of determining shareholders who qualify for the Final Dividend, the register of members of the Company will be closed from 31 January 2013 to 5 February 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with Tricor Abacus Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 30 January 2013.

## PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

## PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Company ([www.ebon.com.hk](http://www.ebon.com.hk)) and The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)). The Company's Annual Report 2012 will be despatched to the shareholders and available on the same websites in due course.

By Order of the Board  
**TSE Sun Fat, Henry**  
Chairman

Hong Kong, 22 November 2012

Website: [www.ebon.com.hk](http://www.ebon.com.hk)

*As at the date hereof, the Board of Directors comprises nine Directors, of which six are Executive Directors, namely Messrs. TSE Sun Fat, Henry, TSE Sun Wai, Albert, TSE Sun Po, Tony, TSE Hon Kit, Kevin, LAU Shiu Sun and YICK Kai Chung and three are Independent Non-executive Directors, namely Messrs. LEUNG Kwong Kin, J.P., WONG Wah, Dominic and WAN Sze Chung.*