THUNDER SKY BATTERY LIMITED
中聚雷天電池有限公司

(Formerly known as Jia Sheng Holdings Limited 嘉盛控股有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 729)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

The board of directors (the "Board") of Thunder Sky Battery Limited (the "Company") presents the audited consolidated final results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2010, together with the comparative figures for the corresponding last year as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2010

	Note	**2010**	2009
		HK$'000	*HK$'000*
			(Restated)
Continuing operations			
Turnover	2	**15,758**	35,734
Revenue			
Proceeds from general trading		**2,716**	565
Net gain / (loss) from trading securities		**164**	(1,951)
Securities brokerage income		**945**	694
Dividend income		**6**	88
Interest income from treasury investment		**179**	604

	Note	**2010**	2009
		HK$'000	*HK$'000*
			(Restated)
Other income		**2**	72
Merchandising products sold		**(2,587)**	(538)
Staff costs		**(10,238)**	(37,030)
Depreciation		**(979)**	(1,147)
Other operating expenses		**(5,569)**	(14,782)
Gain on dilution of interest in a jointly controlled entity	4	**3,804**	—
Share of results of a jointly controlled entity		**(2,536)**	(4,795)
Loss before taxation	5	**(14,093)**	(58,220)
Taxation	6	**—**	14
Loss for the year from continuing operations		**(14,093)**	(58,206)
Discontinued operation			
Loss for the year from discontinued operation		**—**	(14,472)
Loss for the year		**(14,093)**	(72,678)
Attributable to:			
Equity holders of the Company		**(14,093)**	(72,155)
Minority interests		**—**	(523)
		(14,093)	(72,678)
		HK cents	*HK cents*
Loss per share attributable to equity holders of the Company	7		
From continuing and discontinued operations			
— Basic and diluted		**(0.74)**	(3.94)
From continuing operations			
— Basic and diluted		**(0.74)**	(3.18)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010

	2010	2009
	HK$'000	*HK$'000*
Loss for the year	**(14,093)**	(72,678)
Other comprehensive (loss) / income for the year		
Share of exchange reserve of a jointly controlled entity	**—**	130
Release of exchange reserve upon dilution of interest in a jointly controlled entity	**(130)**	—
Release of exchange reserve upon deregistration of a subsidiary	**—**	(54)
Release of exchange reserve upon disposal of subsidiaries	**—**	(31)
Other comprehensive (loss) / income for the year, net of tax	**(130)**	45
Total comprehensive loss for the year	**(14,223)**	(72,633)
Attributable to:		
Equity holders of the Company	**(14,223)**	(72,107)
Minority interests	**—**	(526)
	(14,223)	(72,633)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

	Note	**2010**	2009
	Note	***HK$'000***	*HK$'000*
Non-current assets			
Property, plant and equipment		**1,521**	2,472
Interest in a jointly controlled entity		**—**	17,341
Available-for-sale financial asset		**18,479**	—
Other operating assets		**205**	205
		20,205	20,018
Current assets			
Trade and other receivables	9	**5,354**	6,597
Cash and bank balances		**304,361**	48,650
		309,715	55,247
Current liabilities			
Trade and other payables	10	**2,126**	4,967
Net current assets		**307,589**	50,280
TOTAL ASSETS LESS CURRENT LIABILITIES		**327,794**	70,298
CAPITAL AND RESERVES			
Equity attributable to equity holders of the Company			
Share capital		**22,221**	18,304
Reserves		**305,573**	51,994
TOTAL EQUITY		**327,794**	70,298

NOTES:

1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

These final results have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which include Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. These final results also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The final results have been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

(b) Impact of new and revised HKFRSs

The Group has where applicable adopted the following new and revised HKFRSs, HKASs and Interpretations (hereinafter collectively referred to as the "new and revised HKFRSs") issued by the HKICPA for the first time of the current year's final results:

HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 18 (Amendment)*	Determining whether an entity is acting as a principal or as an agent
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC)-Int 9 and HKAS 39 (Amendments)	Embedded Derivatives
Improvements to HKFRSs (October 2008)**	Amendments to a number of HKFRSs

* Included in Improvements to HKFRSs 2009 (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary, which is effective for annual periods beginning on or after 1 July 2009.

The amendments to HKAS 23 and HKFRS 2 have had no material impact on the Group's final results as the amendments and interpretations are consistent with policies already adopted by the Group. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the Group's financial statements. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's most senior executive management, and has resulted in additional reportable segments being identified and presented. Corresponding amounts have been provided on a basis consistent with the revised segment information.

- As a result of the adoption of HKAS 1 (Revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in the final results and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

Save as disclosed above, the adoption of the new and revised HKFRSs have had no material effects on how the results and financial position of the current or prior accounting years have been prepared and presented.

The Group has not early applied the following new and revised HKFRSs, that have been issued but are not yet effective in these final results:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[6]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[5]
HKFRS 1 (Revised)	First-time adoption of HKFRSs[1]
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[8]
HKAS 24 (Revised)	Related Party Disclosures[7]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HK(IFRIC) - Int 14 (Amendments)	Prepayments of Minimum Funding Requirements[7]
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
[3] Effective for annual periods beginning on or after 1 January 2010
[4] Effective for annual periods beginning on or after 1 February 2010
[5] Effective for annual periods beginning on or after 1 July 2010
[6] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
[7] Effective for annual periods beginning on or after 1 January 2011
[8] Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that while the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) may result in changes in accounting policies and the application of HKFRS 9 may affect the classification and measurement of the Group's financial assets, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2. TURNOVER

Turnover represents the aggregate of gross proceeds from sales of trading securities, income from securities brokerage services, income on treasury investment which includes interest income on bank deposits, dividend income and proceeds from general trading.

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Proceeds from sales of trading securities	**11,912**	33,783
Securities brokerage service income	**945**	694
Bank interest income from treasury investment in cash markets	**179**	604
Dividend income from listed investments	**6**	88
Proceeds from general trading	**2,716**	565
Total	**15,758**	35,734

3. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by the chief operating decision maker for the purposes of resource allocation and performance assessment.

The chief operating decision maker considers that the Group is organised into business units based on their products and services, and has reportable operating segments as follows:

(a) the securities investment segment includes dealings and trading of securities;

(b) the securities brokerage segment provides securities brokerage services;

(c) the treasury investment segment represents investments in cash markets;

(d) the general trading segment represents trading of general products, which is the new segment that recognised during the year. The proceeds and the costs from general trading that were booked in other income during the year ended 31 March 2009 were reclassified accordingly; and

(e) the manufacturing and trading of automotive components business, which was classified as discontinued operation during the year ended 31 March 2009.

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

(i) Segment profit/(loss) represents the profit earned by/(loss from) each segment without allocation of central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment;

(ii) Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments;

(iii) Revenue between segments are carried out on arm's length basis. The revenue from external parties reported to the chief operating decision maker is measured in a manner consistent with that in the income statement;

(iv) All assets are allocated to reportable segments other than interest in a jointly controlled entity, available-for-sale financial asset and unallocated assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and

(v) All liabilities are allocated to reportable segments other than unallocated liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

The Group's reportable segments for the years ended 31 March 2010 and 2009 are as follows:

	2010						
	Continuing operations					Discontinued operation	
	Securities investment *HK$'000*	**Securities brokerage** *HK$'000*	**Treasury investment** *HK$'000*	**General trading** *HK$'000*	**Sub-total** *HK$'000*	**Manufacturing and trading of automotive components** *HK$'000*	**Consolidated** *HK$'000*
Turnover from external customers	**11,918**	**945**	**179**	**2,716**	**15,758**	**—**	**15,758**
Inter-segment turnover	**—**	**23**	**—**	**—**	**23**	**—**	**23**
Reportable segment turnover	**11,918**	**968**	**179**	**2,716**	**15,781**	**—**	**15,781**
Proceeds from general trading	**—**	**—**	**—**	**2,716**	**2,716**	**—**	**2,716**
Net gain from trading securities	**164**	**—**	**—**	**—**	**164**	**—**	**164**
Securities brokerage income	**—**	**945**	**—**	**—**	**945**	**—**	**945**
Dividend income	**6**	**—**	**—**	**—**	**6**	**—**	**6**
Interest income	**—**	**—**	**179**	**—**	**179**	**—**	**179**
Revenue from external customers	**170**	**945**	**179**	**2,716**	**4,010**	**—**	**4,010**
Inter-segment revenue	**(23)**	**23**	**—**	**—**	**—**	**—**	**—**
Reportable segment revenue	**147**	**968**	**179**	**2,716**	**4,010**	**—**	**4,010**
Reportable segment profit / (loss) before taxation	**(292)**	**(2,407)**	**179**	**(101)**	**(2,621)**	**—**	**(2,621)**
Other income	**—**	**2**	**—**	**—**	**2**	**—**	**2**
Depreciation	**—**	**278**	**—**	**—**	**278**	**—**	**278**
Reportable segment assets	**68**	**10,467**	**288,561**	**8**	**299,104**	**—**	**299,104**
Reportable segment liabilities	**(2,533)**	**(8,380)**	**—**	**(120)**	**(11,033)**	**—**	**(11,033)**
Additions to property, plant and equipment	**—**	**—**	**—**	**—**	**—**	**—**	**—**

	2009 (Restated)						
	Continuing operations					Discontinued operation	
	Securities investment *HK$'000*	Securities brokerage *HK$'000*	Treasury investment *HK$'000*	General trading *HK$'000*	Sub-total *HK$'000*	Manufacturing and trading of automotive components *HK$'000*	Consolidated *HK$'000*
Turnover from external customers	33,871	694	604	565	35,734	10,279	46,013
Inter-segment turnover	—	—	—	—	—	—	—
Reportable segment turnover	33,871	694	604	565	35,734	10,279	46,013
Proceeds from general trading	—	—	—	565	565	—	565
Net loss from trading securities	(1,951)	—	—	—	(1,951)	—	(1,951)
Securities brokerage income	—	694	—	—	694	—	694
Dividend income	88	—	—	—	88	—	88
Interest income	—	—	604	—	604	—	604
Sale of automotive components	—	—	—	—	—	10,279	10,279
Revenue from external customers	(1,863)	694	604	565	—	10,279	10,279
Inter-segment revenue	—	—	—	—	—	—	—
Reportable segment revenue	(1,863)	694	604	565	—	10,279	10,279
Reportable segment profit / (loss) before taxation	(2,395)	(3,501)	604	(12)	(5,304)	(2,362)	(7,666)
Other income	2	13	—	—	15	237	252
Depreciation	—	447	—	—	447	981	1,428
Reportable segment assets	2,627	13,206	35,560	527	51,920	—	51,920
Reportable segment liabilities	(4,819)	(8,703)	—	(539)	(14,061)	—	(14,061)
Additions to property, plant and equipment	—	606	—	—	606	—	606

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2010	2009
Revenue	***HK$'000***	*HK$'000*
Total reportable segments' revenue	**4,010**	10,279
Elimination of inter-segment revenue	**—**	—
Consolidated revenue	**4,010**	10,279

	2010	2009
Loss	***HK$'000***	*HK$'000*
Total reportable segments' loss	**(2,621)**	(7,666)
Elimination of inter-segment loss	**—**	—
Reportable segment loss derived from the Group's external customers	**(2,621)**	(7,666)
Other income	**—**	57
Gain on dilution of interest in a jointly controlled entity	**3,804**	—
Share of results of a jointly controlled entity	**(2,536)**	(4,795)
Depreciation	**(701)**	(700)
Equity settled share-based payments	**(3,305)**	(29,091)
Write-down of inventories	**—**	(10,007)
Impairment on property, plant and equipment	**—**	(2,100)
Unallocated corporate expenses	**(8,734)**	(18,387)
Consolidated loss before taxation	**(14,093)**	(72,689)

	2010	2009
Assets	***HK$'000***	*HK$'000*
Total reportable segments' assets	**299,104**	51,920
Elimination of inter-segment assets	**—**	—
	299,104	51,920
Additions to property, plant and equipment	**32**	940
Available-for-sale financial asset	**18,479**	—
Interest in a jointly controlled entity	**—**	17,341
Unallocated corporate assets	**12,305**	5,064
Consolidated total assets	**329,920**	75,265

	2010	2009
Liabilities	***HK$'000***	*HK$'000*
Total reportable segments' liabilities	**(11,033)**	(14,061)
Elimination of inter-segment liabilities	**9,591**	10,142
	(1,442)	(3,919)
Unallocated corporate liabilities	**(684)**	(1,048)
Consolidated total liabilities	**(2,126)**	(4,967)

Geographical information

(a) Turnover from external customers

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**13,042**	38,172
PRC	**2,716**	565
Overseas	**—**	7,276
	15,758	46,013

The turnover information is based on the location of the customers.

(b) Revenue from external customers

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**1,294**	2,438
PRC	**2,716**	565
Overseas	**—**	7,276
	4,010	10,279

The revenue information is based on the location of the customers.

(c) Non-current assets

	2010	2009
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**1,726**	2,677
PRC	**18,479**	17,341
	20,205	20,018

The non-current assets information is based on the location of assets.

Information about a major customer

Revenue from customer contributing 10% or more of the total revenue of the Group are as follows:

	2010	2009
	HK$'000	*HK$'000*
Customer A – revenue from general trading – PRC	**2,716**	—

4. GAIN ON DILUTION OF INTEREST IN A JOINTLY CONTROLLED ENTITY

On 2 August 2009, the Group and two joint venture partners entered into an agreement, pursuant to which the registered capital of 密之雲（北京）呼叫產業基地有限公司 (Mizhiyun (Beijing) Communication Company Limited) ("Mizhiyun") has been increased from RMB50,000,000 to RMB100,000,000. The additional RMB50,000,000 was contributed solely by a joint venture partner. The Group's equity interest in Mizhiyun was diluted from 39.0% to 19.5%. Hence, the Group's interest in Mizhiyun has been reclassified to available-for-sale financial asset and a gain on dilution of interest in a jointly controlled entity of approximately HK$3,804,000 has been recognised during the year.

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after (crediting) / charging:

	Continuing operations		**Discontinued operation**		**Consolidated**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Restated)		(Restated)		(Restated)
Interest income on financial assets not at fair value through profit or loss	**(181)**	(618)	—	(4)	**(181)**	(622)
Dividend income from listed investments	**(6)**	(88)	**—**	—	**(6)**	(88)
Auditor's remuneration	**460**	380	**—**	—	**460**	380
Cost of inventories sold	**2,587**	538	**—**	9,192	**2,587**	9,730
Depreciation	**979**	1,147	**—**	981	**979**	2,128
Impairment loss on other receivables	**5**	—	**—**	—	**5**	—
Impairment on property, plant and equipment	**—**	—	**—**	2,100	**—**	2,100
Loss on disposal of property, plant and equipment	**4**	123	**—**	30	**4**	153
Operating lease charges in respect of rented premises	**1,874**	1,983	**—**	919	**1,874**	2,902
Staff costs (including directors' emoluments)						
- salaries and allowances	**7,244**	9,314	**—**	1,822	**7,244**	11,136
- equity settled share-based payments	**2,846**	27,534	**—**	—	**2,846**	27,534
- contributions to retirement benefits schemes	**148**	182	**—**	145	**148**	327
Write-down of inventories	**—**	—	**—**	10,007	**—**	10,007

6. TAXATION

	2010	2009
	HK$'000	*HK$'000*
Continuing operations		
Hong Kong:		
Overprovision in prior years	—	(14)
Discontinued operation		
Overseas:		
Charge for the year	—	3
Total credit for the year	—	(11)

No provision for the Hong Kong Profits Tax has been made as the Group sustained losses for taxation purposes during the years ended 31 March 2010 and 2009. The taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions in which the Group operates based on existing legislation, interpretations and practices in respect thereof.

7. LOSS PER SHARE

(a) Basic loss per share

From continuing and discontinued operations

The basic loss per share is calculated based on (i) the consolidated loss attributable to equity holders of the Company of HK$14,093,000 (2009: HK$72,155,000) and (ii) the weighted average number of 1,896,154,000 ordinary shares (2009: 1,830,421,000 ordinary shares) in issue during the year.

	2010	2009
	Weighted average number of ordinary shares	Weighted average number of ordinary shares
	'000	*'000*
Issued ordinary shares at the beginning of the reporting period	**1,830,421**	1,830,421
Effect of issue of new shares in placement	**62,184**	—
Effect of issue of new shares upon exercise of share options	**3,549**	—
Weighted average number of ordinary shares at the end of the reporting period	**1,896,154**	1,830,421

From continuing operations

The basic loss per share from continuing operations attributable to the equity holders of the Company is calculated as follows:

	2010	2009
	HK$'000	*HK$'000*
Loss for the year attributable to equity holders of the Company		
Loss for the year	**14,093**	72,155
Less: Loss for the year from discontinued operation	**—**	(13,949)
Loss for the year from continuing operations	**14,093**	58,206

From discontinued operation

Basic loss per share from discontinued operation for the year ended 31 March 2009 was HK cents 0.76 which was calculated based on the loss for the year attributable to equity holders of the Company from discontinued operation of HK$13,949,000.

The denominators used for basic loss per share from continuing and discontinued operations are the same as those detailed above.

(b) Diluted loss per share

The calculation of diluted loss per share does not assume the exercise of the Company's share options as the exercise of the share options would result in a reduction in loss per share for the years ended 31 March 2010 and 2009. Therefore, the diluted loss per share is the same as the basic loss per share for both years.

8. DIVIDEND

No dividend was paid or declared by the Company during the year (2009: Nil).

9. TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade receivables *(Notes)*	**1,825**	4,306
Deposits and prepayments	**3,487**	1,083
Other receivables	**42**	1,208
	5,354	6,597

Notes:

(a) An ageing analysis of trade receivables is as follows:

	2010	2009
	HK$'000	*HK$'000*
Within 1 month	**1,229**	4,306
Between 1 and 3 months	**592**	—
Over 3 months	**4**	—
	1,825	4,306

All of trade receivables as at 31 March 2010 and 2009 were attributable to securities brokerage business with settlement terms of two trading days after the trade date, bearing interest at the prevailing Hong Kong Best Lending Rate plus 5% per annum and secured by the listed securities of the customers. The carrying amounts of receivables approximate their fair values.

(b) The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	2010	2009
	HK$'000	*HK$'000*
Neither past due nor impaired	**1,160**	4,306
Less than 1 month past due	**69**	—
More than 1 month but less than 3 months past due	**592**	—
More than 3 months past due	**4**	—
Past due but not impaired	**665**	—
	1,825	4,306

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent 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 still considered fully recoverable. The Group hold the listed securities of the customers as securities over these balances.

(c) There were no impairment losses for trade receivables during the years ended 31 March 2010 and 2009.

10. TRADE AND OTHER PAYABLES

	2010	2009
	HK$'000	*HK$'000*
Trade payables *(Note)*	**1,216**	3,711
Other payables and accruals	**910**	1,256
	2,126	4,967

Note:
An ageing analysis of trade payables is as follows:

	2010	2009
	HK$'000	*HK$'000*
Within 1 month	**1,216**	3,711

All of trade payables as at 31 March 2010 and 2009 were attributable to securities brokerage business with settlement terms of two trading days after the trade date which bear interest at rates approximate to prevailing market savings rates.

11. CAPITAL COMMITMENTS

As at 31 March 2010, the Group had commitment on conditional acquisition of subsidiaries and the details of the transaction is stated in Note 12(a).

12. EVENTS AFTER THE REPORTING PERIOD

(a) On 23 December 2009, Qiyang Limited ("Qiyang"), a direct wholly-owned subsidiary of the Company, entered into a letter of intent with Mr. Chung Hing Ka ("Mr. Chung") and Mr. Miao Zhenguo ("Mr. Miao") who acted on behalf of themselves and other vendors, in relation to the Acquisition (as defined below). On 18 January 2010 and 30 April 2010, the Company as the guarantor of Qiyang, Qiyang, six independent third parties including Mei Li New Energy Limited ("Mei Li New Energy"), which is beneficially owned by Mr. Chung, as the first vendor, Union Ever Holdings Limited ("Union Ever"), which is beneficially owned by Mr. Miao, as the second vendor, and other four parties (collectively the "Vendors"), Mr. Chung as the guarantor of Mei Li New Energy and Mr. Miao as the guarantor of Union Ever entered into two agreements, pursuant to which the Vendors conditionally agreed to sell and Qiyang conditionally agreed to purchase the entire issued share capital of Union Grace Holdings Limited, a company incorporated in the British Virgin Islands and wholly-owned by the Vendors, together with its subsidiary (collectively the "Target Group") for a consideration of HK$2,750 million (the "Consideration") (the "Acquisition"), and Mr. Chung, Mr. Miao, Mei Li New Energy and Union Ever have jointly and severally guaranteed to Qiyang that the audited profit after tax and exceptional items and before amortisation accruing to the Target Group shall not be less than HK$150 million for the first year from the date of completion of the Acquisition. The Consideration was satisfied by cash of HK$100 million, approximately 783 million new ordinary shares of the Company of HK$0.01 each at an issue price of HK$0.20 per share (the "Consideration Shares") and convertible bonds at a principal amount of approximately HK$2,493 million (the "Convertible Bonds"). The Convertible Bonds are non-interest bearing, with a maturity date on the eighth anniversary of the date of issue of the Convertible Bonds and entitle the holders to convert the Convertible Bonds into ordinary shares of the Company at a conversion price of HK$0.20 per share (subject to adjustments).The Target Group is granted an exclusive right to use the patents (the "Licensed Patents") by Mr. Chung and his beneficially owned company, Thunder Sky Battery Technology Limited, for the production, marketing, distribution and sale of certain specially-designed Lithium-based battery products and all improvements thereto. The Licensed Patents include fifteen patents which will expire in the period between September

2010 and May 2025. The Acquisition was completed on 25 May 2010. On the same date, the Company issued Consideration Shares and Convertible Bonds to the Vendors. Further details are set out in the Company's circular and announcement dated 3 May 2010 and 25 May 2010 respectively.

The Group will recognise the Acquisition as a business combination in accordance with HKFRS 3 (Revised) "Business Combination". However, in the opinion of the directors, no information has been disclosed in the Group's financial statements during the year as required in HKFRS 3 because the initial accounting information for the business combination is incomplete as at the date of this announcement. The directors consider that the valuations of the fair values of the Target Group and its major asset of the Licensed Patents cannot be performed for the following reasons:

(i) The Lithium-based battery products involve a new technology. There is no sufficient and comparable public information available to enable the professional valuers to perform the valuation using the market approach by valuing the Target Group or the Licensed Patents with reference to comparable companies or rights.

(ii) The Lithium-based battery products have just come off ground from the development stage of its product life cycle. There are no sufficient past financial record figures to build the bases and assumptions with any high accuracy, which are needed to develop with due care a projection on the cashflows of the future production and sale of the Lithium-based battery products.

(iii) The scale of operations of the Target Group is expected to be significantly larger than its present situation. The historical financials are not likely to be reflective of the future performance of the Target Group and therefore should not be relied upon as the basis to project the future cashflow of the Target Group for the purpose of the valuation. As any forecast of an operating business would involve references to a large number of operating variables, such as market size, sales growth, profit margin, overhead costs, production capacity and efficiency of rollout plan, any inaccurate projection of any or all of these variables would inevitably result in substantial differences in the results of the projections.

Given the above, the directors consider that any bases and assumptions adopted to project the future performance and cash flow of the Target Group and its Licensed Patents for the purpose of a valuation using the discount cash flow method is bound to be highly subjective and inaccurate, and any valuation derived from these projections would be misleading.

(b) On 18 January 2010, the Company and an independent party Jade Time Investments Limited (the "Subscriber") entered into an agreement, pursuant to which the Subscriber conditionally agreed to subscribe and/or procure the subscription by any of its affiliates for 400 million ordinary shares of the Company of HK$0.01 at the price of HK$0.73 per subscription share. The subscription transaction is inter-conditional to the Group's Acquisition as mentioned in (a) above. The subscription transaction was completed on 31 May 2010. The Company issued and allotted 400 million ordinary shares to the Subscriber and its affiliate for the proceeds of HK$292 million. Further details are set out in the Company's circular and announcement dated 3 May 2010 and 31 May 2010 respectively.

(c) On 10 June 2010, Carico Strategic Investment Ltd ("Carico Strategic"), a direct wholly-owned subsidiary of the Company, entered into an agreement (the "Agreement") with an independent third party (the "Purchaser"), pursuant to which the Purchaser agreed to purchase and Carico Strategic agreed to dispose of the entire equity interest in Panda Max Limited ("Panda Max"), which is wholly-owned by Carico Strategic and holds 19.5% equity interest in Mizhiyun, and a shareholder's loan due to the Group by Panda Max of approximately HK$22 million for a total consideration of HK$30 million, which shall be payable by two installments of HK$10 million and HK$20 million within 30 days and 90 days, respectively, from the date of the Agreement. On the same date, Carico Strategic and the Purchaser entered into share transfer document for execution of the transfer of shares of Panda Max, and both parties entered into a share mortgage agreement, pursuant to which the Purchaser has pledged its shares of Panda Max as collateral of payment of the consideration at the maturity date. The disposal transaction was completed on 10 June 2010 and a gain on disposal of approximately HK$10 million was recognised. On 16 July 2010, Carico Strategic received an amount of HK$10 million from the Purchaser.

(d) Pursuant to the resolutions passed at the Company's board meeting held on 30 June 2010 and the provisions of the Company's share option scheme, the exercise period of 60.1 million options with exercise prices ranging from HK$0.061 to HK$0.23 per share expiring between 2017 and 2019 has been changed so that such options will lapse on 1 November 2010; and 21.6 million options with an exercise price of HK$0.061 per share have lapsed following the resignation of two directors of the Company, and the mutual termination of the employment of certain employees and the consultancy of certain consultants of Group subsequent to the reporting period.

(e) On 13 July 2010, the Convertible Bonds with an aggregate principal amount of HK$10 million were converted into 50 million ordinary shares of the Company of HK$0.01 each at an issue price of HK$0.20.

(f) Subsequent to the reporting period up to the date of this announcement, approximately 59 million options to subscribe for approximately 59 million ordinary shares of the Company of HK$0.01 each at the exercise prices ranging from HK$0.061 to HK$0.23 per share were exercised with an aggregate consideration of approximately HK$9 million accruing to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the year under review, the Group recorded a turnover of approximately HK$15.8 million, representing a decrease of approximately 55.9% when compared to that of the last financial year. The Group narrowed its loss for the year from approximately HK$72.7 million in the last financial year to approximately HK$14.1 million this year. The substantial reduction in loss was primarily attributable to (i) the decrease in staff costs (decreased to approximately HK$10.2 million from approximately HK$37.0 million in the last financial year); (ii) the reduction in other operating expenses (decreased to approximately HK$5.6 million from approximately HK$14.8 million in the last financial year); and (iii) a gain of approximately HK$3.8 million on dilution of interest in a jointly controlled entity (nil for last financial year).

During the year under review, the Group had reduced exposure to the stock trading for prudence sake and hence turnover derived from securities investment had a substantial drop of approximately 64.8% when compared to that of approximately HK$33.9 million in the last financial year. Turnover derived from securities brokerage during the year under review amounted to approximately HK$0.9 million, which is slightly higher than that of last financial year (i.e. approximately HK$0.7 million). With a view to improving the overall financial performance, the Group had some general trading activities during the year under review which recorded a turnover of approximately HK$2.7 million.

In respect of the Group's investment in 密之雲(北京)呼叫產業基地有限公司 (Mizhiyun (Beijing) Communication Company Limited) (the "JV Company") in the People's Republic of China (the "PRC"), the Group entered into a supplemental joint venture contract with the two PRC joint venture partners on 2 August 2009 pursuant to which, among others, the JV Company's registered capital increased from RMB50,000,000 to RMB100,000,000 and the additional capital contribution was made by one of the PRC joint venture partners and hence the Group's interest in the JV Company was diluted from 39.0% to 19.5%. After further reviewing the Group's strengths and the business prospect of the JV Company, the Group entered into a sale and purchase agreement on 10 June 2010 with a PRC joint venture partner to dispose of its entire interest in the JV Company and a shareholder's loan due to the Group for a consideration of HK$30 million.

Very Substantial Acquisition

On 23 December 2009, the Group entered into a letter of intent with Mr. Chung Hing Ka ("Mr. Chung") and Mr. Miao Zhenguo ("Mr. Miao") acting on behalf of themselves and the other vendors in relation to the Acquisition (as defined below). On 18 January 2010, Qiyang Limited, an wholly-owned subsidiary of the Company (the "Purchaser"), entered into a sale and purchase agreement (the "Acquisition Agreement") with Mei Li New Energy Limited ("Mei Li New Energy"), which is beneficially owned by Mr. Chung, as the first vendor, Union Ever Holdings Limited ("Union Ever"), which is beneficially owned by Mr. Miao, as the second vendor, Silver Ride Group Limited as the third vendor, Glorious China Investments Limited as the fourth vendor, Long Hing International Limited as the fifth vendor, Idea Lab Capital Co., Ltd as the sixth vendor (collectively the "Vendors"), the Company as the guarantor of the Purchaser, Mr. Chung as the guarantor of Mei Li New Energy and Mr. Miao as the guarantor of Union Ever to acquire the entire interest in Union Grace Holdings Limited ("Union Grace") together with its wholly-owned subsidiary, Thunder Sky Energy Technology Limited ("Thunder Sky (HK)", together with Union Grace, collectively, the "Target Group") at a consideration (the "Consideration") of HK$2,750 million (the "Acquisition").

Pursuant to a deed dated 18 January 2010 and a deed dated 12 February 2010 (collectively, the "Patent License Deed"), Thunder Sky Battery Technology Limited ("Thunder Sky Battery") and Mr. Chung (collectively the "Patent Licensors") agreed to grant to Thunder Sky (HK) patents owned by or licensed to the Patent Licensors that relate to Lithium-based battery products and their related products (the "Electric Battery Products"), which can be applied to electric vehicles and power storage systems, other than such Electric Battery Products with unit capacities of less than 200AH. Pursuant to this arrangement, the Group will be able to commence the production of the Electric Battery Products, upon completion of the Acquisition, which took place on 25 May 2010 (the "Completion Date"). Mr. Chung, Mr. Miao, Mei Li New Energy and Union Ever have jointly and severally guaranteed to the Group that the audited profit after tax and exceptional items but before amortisation accruing to the Target Group in respect of the period commencing on the Completion Date and ending on the day before the first anniversary of the Completion Date shall not be less than HK$150,000,000. Details of the Acquisition are set out in the circular dated 3 May 2010 (the "Circular").

On 18 January 2010, Thunder Sky (HK) entered into a supply contract (the "Master Supply Agreement") with 深圳市雷天電動車動力總成有限公司 (Shenzhen Thunder Sky Electric Vehicles Limited*) and 深圳市雷天電源技術有限公司 (Shenzhen Thunder Sky Battery Technology Limited*), both companies incorporated in the PRC and indirectly wholly-owned by Mr. Chung (collectively the "PRC Operating Companies"), pursuant to which the PRC Operating Companies agreed to manufacture and supply to Thunder Sky (HK) the Electric Battery Products in accordance with the requirements of Thunder Sky (HK) (the "Transactions").

Subscription of New Shares

On 18 January 2010, the Company entered into a subscription agreement with Jade Time Investments Limited (the "Subscriber"), being a company indirectly and wholly owned by Mr. Li Ka-shing, pursuant to which the Company would issue, and the Subscriber would subscribe and/or procure the subscription by any of its affiliates (as defined in the Circular) for, 400,000,000 new shares of the Company at a price of HK$0.73 per share (the "Subscription"). Completion of the Subscription is subject to, among others, the completion of the Acquisition. Details of the Subscription are set out in the Circular. The completion of the Subscription took place on 31 May 2010.

Placing of New Shares

On 17 January 2010, the Company entered into a placing agreement with a placing manager pursuant to which the Company successfully placed 366,084,242 new shares at a price of HK$0.73 per share under the general mandate. The net proceeds from such placing amount to approximately HK$262.5 million, which will be used as general working capital of the Group.

Prospects and Future Plan of the Group

Looking forward, the management will focus its resources on the new business of Electric Battery Products, in particular, to build its own production premises and to expand its sale network to boost its sales to the optimal level.

In the meantime, the Group will continue to review its existing businesses from time to time and strive to improve the business operation and financial position of the Group. The objective of the Group is to establish a solid platform to invest in business sectors providing high and healthy growth through acquisition and development of projects with promising future. The Group will on one hand review, improve and develop its existing businesses, and on the other hand will continue to proactively seek potential investment opportunities that could enhance the value to the shareholders.

Liquidity and Financial Resources

As of 31 March 2010, the Group had (i) non-current assets of approximately HK$20.2 million, which mainly comprised available-for-sale financial asset, and property, plant and equipment; and (ii) current assets of approximately HK$309.7 million, which comprised trade and other receivables, and cash and bank balances. As of 31 March 2010, the Group had no borrowings and recorded net cash of approximately HK$304.4 million.

Foreign Exchange Exposure

The Group's transactions were mainly denominated in Hong Kong dollars and had no significant exposure to fluctuations in exchange rates during the year under review.

Material Acquisitions and Disposals

Save for the proposed acquisition of the Target Group, the Group had no material acquisitions or disposals of subsidiaries or associated companies during the year ended 31 March 2010.

Pledge of Assets and Contingent Liabilities

As at 31 March 2010, the Group did not pledge any kind of assets and had no significant contingent liabilities.

Employees and Remuneration Policies

As of 31 March 2010, the Group had 25 employees in Hong Kong. Total staff costs (including directors' emoluments and equity settled share-based payments) during the year amounted to approximately HK$10.2 million (2009: approximately HK$37.0 million). The remuneration policies are determined with reference to market conditions and individual performance of staff. The Group participates in Mandatory Provident Fund Scheme in Hong Kong. The Group has a share option scheme for the benefit of its directors and eligible employees of the Group.

Capital Commitment

As at 31 March 2010, the Group had conditional capital commitment of approximately HK$2,750 million in relation to the Acquisition (31 March 2009: Nil).

CORPORATE GOVERNANCE PRACTICES

Throughout the year ended 31 March 2010, the Company applied the principles of and complied with all the code provisions of, the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") except for the following deviations.

Subsequent to the resignation of Mr. Ryoji Furukawa as the Chairman of the Company on 16 October 2008, the Company has no Chairman. This constitutes a deviation from the code provisions A.2.1 to A.2.3 of the Code. The Company is in the process of identifying a suitable candidate to fill the vacancy for the Chairman and will issue an announcement when a new appointment is made.

Currently, Mr. Yip Chi Chiu is the Deputy Chairman and Chief Executive Officer of the Company. The Board is of the view that vesting the roles of Deputy Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company as the Board will meet regularly to consider major matters affecting the operations of the Group. Mr. Yip is mainly responsible for the day-to-day management of the Group's businesses. To further enhance the balance of power and authority on the Board, Mr. Chung Hing Ka has been appointed as an additional Deputy Chairman of the Company with effect from 25 May 2010.

Code provision E.1.2 of the Code stipulates that the chairman of the board should attend the annual general meeting. The Company did not comply with such code provision as it has no Chairman. However, Mr. Yip Chi Chiu, the Deputy Chairman, took chair of the Company's annual general meeting held on 20 August 2009 pursuant to the Company's Bye-laws.

DIRECTORS' SECURITIES TRANSACTIONS

Since 1 April 2009, the Company has adopted a code for securities transactions by directors (the "Securities Code"), which is largely based on the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. The Securities Code is on terms no less exacting than the required standard set out in the Model Code. All directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standard set out in the Model Code and the Securities Code throughout the year ended 31 March 2010.

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

The Company did not redeem any of its listed securities during the year ended 31 March 2010.

Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year ended 31 March 2010.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company has reviewed with the management and the Company's independent auditor the audited results of the Group for the year ended 31 March 2010.

By order of the Board of
Thunder Sky Battery Limited
Yip Chi Chiu
Deputy Chairman and Chief Executive Officer

Hong Kong, 27 July 2010

As of the date of this announcement, the Board comprises Mr. Yip Chi Chiu (Deputy Chairman and Chief Executive Officer), Mr. Chung Hing Ka (Deputy Chairman and Chief Technical Officer), Mr. Miao Zhenguo (Chief Operating Officer) and Mr. Lo Wing Yat as executive directors; and Mr. Chan Yuk Tong, Mr. Fei Tai Hung and Mr. Tse Kam Fow as independent non-executive directors.

Website: http://www.thunder-sky.com.hk