

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended March 31, 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

Group Income Statement for the year ended March 31, 2011. These figures have not been audited.

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	2011 HK\$'000	2010 HK\$'000	Increase (Decrease) %
Revenue	3,797,120	2,940,838	29.1
Cost of sales	<u>(3,411,444)</u>	<u>(2,626,616)</u>	29.9
Gross profit	385,676	314,222	22.7
Other operating income	7,567	15,274	(50.5)
Distribution costs	(50,862)	(31,683)	60.5
Administrative expenses	(218,784)	(204,126)	7.2
Share of loss of jointly controlled entities	(22)	(198)	(88.9)
Finance costs	<u>(13,531)</u>	<u>(9,968)</u>	35.7
Profit before tax	110,044	83,521	31.8
Income tax expense	<u>(22,209)</u>	<u>(12,045)</u>	84.4
Profit for the year	<u>87,835</u>	<u>71,476</u>	22.9
Other comprehensive income:			
Exchange difference on translation of overseas operations	6,787	(302)	2,347.4
Release of exchange difference upon dissolution of overseas operations	<u>7</u>	<u>(2,263)</u>	NM
Other comprehensive income for the year, net of tax	<u>6,794</u>	<u>(2,565)</u>	364.9
Total comprehensive income for the year	<u>94,629</u>	<u>68,911</u>	37.3
Profit attributable to:			
Owners of the Company	86,010	70,526	22.0
Non-controlling interests	<u>1,825</u>	<u>950</u>	92.1
	<u>87,835</u>	<u>71,476</u>	22.9
Total comprehensive income attributable to:			
Owners of the Company	92,804	67,961	36.6
Non-controlling interests	<u>1,825</u>	<u>950</u>	92.1
	<u>94,629</u>	<u>68,911</u>	37.3

NM: Not Meaningful

The profit before income tax had been arrived at after charging (crediting) the following:

	2011	2010 (Restated)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	8,628	16,264
Amortisation of prepaid lease payment	12	12
Share-based payment expense	835	327
Allowance for doubtful trade receivables	10,081	8,246
Allowance for (reversal of allowance for) inventories	12,131	(7,837)
Foreign exchange loss (gain), net	1,765	(9,390)
(Gain) loss on disposal of property, plant and equipment	(1)	475
Research and development expenses	21,341	20,101
Net (gain) loss on fair value changes of derivative financial instruments	(3,799)	6,927
Interest income	(1,314)	(619)
Release of exchange difference upon dissolution of overseas operations	7	(2,263)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	31/03/2011	31/03/2010 (Restated)	31/03/2011	31/03/2010
ASSETS				
Current assets:				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash and bank balances	417,068	410,050	965	964
Short-term bank deposit	2,905	--	--	--
Trade receivables	611,563	539,524	--	--
Other receivables and prepayments	13,997	20,425	182,226	162,124
Prepaid lease payment - current	12	12	--	--
Income tax recoverable	88	131	--	43
Derivative financial instruments	28	--	--	--
Inventories	476,448	468,839	--	--
Total current assets	1,522,109	1,438,981	183,191	163,131
Non-current assets:				
Prepaid lease payment – non current	644	656	--	--
Property, plant and equipment	166,380	82,681	--	--
Long-term deposits	329	3,586	--	--
Available-for-sale investments	2,001	2,001	--	--
Derivative financial instruments	3	44	--	--
Interests in jointly controlled entities	8,773	8,795	--	--
Deferred tax assets	3,512	2,664	--	--
Subsidiaries	--	--	117,470	117,470
Total non-current assets	181,642	100,427	117,470	117,470
Total assets	1,703,751	1,539,408	300,661	280,601
LIABILITIES AND EQUITY				
Current liabilities:				
Trust receipt loans	639,628	544,459	--	--
Trade payables	373,918	396,130	--	--
Other payables	52,220	43,803	8,349	5,723
Derivative financial instruments	146	4,441	--	--
Income tax payable	6,031	7,937	350	--
Amounts due to jointly controlled entities	8,670	8,656	--	--
Bank borrowings	81,449	113,902	--	--
Total current liabilities	1,162,062	1,119,328	8,699	5,723
Non-current liabilities:				
Bank borrowings	55,000	--	--	--
Derivative financial instruments	3,009	2,526	--	--
Deferred tax	2,133	--	--	--
Total non-current liabilities	60,142	2,526	--	--
Capital and reserves:				
Issued capital	62,000	62,000	62,000	62,000
Capital reserves	162,373	161,569	162,373	161,569
Currency translation reserve	11,647	4,853	--	--
Dividend reserve	38,516	31,471	38,516	31,471
Accumulated profits	198,510	150,985	29,073	19,838
Equity attributable to owners of the Company	473,046	410,878	291,962	274,878
Non-controlling interests	8,501	6,676	--	--
Total equity	481,547	417,554	291,962	274,878
Total liabilities and equity	1,703,751	1,539,408	300,661	280,601

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/03/2011		As at 31/03/2010	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
33,049	688,028	0	658,361

Amount repayable after one year

As at 31/03/2011		As at 31/03/2010	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
0	55,000	0	0

Details of any collateral

As at March 31, 2011, the Group pledged a property located in Shanghai, the People's Republic of China, with carrying value of approximately HK\$78,845,000 to secure bank borrowings granted to the Group.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	2011	2010
	HK\$'000	(Restated) HK\$'000
Operating activities:		
Profit before tax	110,044	83,521
Adjustments for:		
Depreciation expense	8,628	16,264
Amortisation of prepaid lease payments	12	12
Share-based payment expense	835	327
Interest expense	13,531	9,968
Allowance for (reversal of allowance for) inventories	12,131	(7,837)
Allowance for doubtful trade receivables	10,081	8,246
(Gain) loss on disposal of property, plant and equipment	(1)	475
Net (gain) loss on fair value changes of derivative financial instruments	(3,799)	6,927
Share of loss of jointly controlled entities	22	198
Release of exchange difference upon dissolution of overseas operations	7	(2,263)
Interest income	(1,314)	(619)
Operating cash flows before movements in working capital	<u>150,177</u>	<u>115,219</u>
Trade receivables	(82,950)	(262,333)
Other receivables and prepayments	6,428	(10,405)
Inventories	(19,980)	(226,131)
Trade payables	(22,212)	250,423
Other payables	8,418	11,519
Long-term deposits	1,081	(314)
Amounts due from jointly controlled entities	14	--
Cash generated from (used in) operations	<u>40,976</u>	<u>(122,022)</u>
Income tax paid	(22,937)	(5,505)
Interest paid	(13,531)	(9,968)
Interest received	<u>1,314</u>	<u>619</u>
Net cash from (used in) operating activities	<u>5,822</u>	<u>(136,876)</u>
Investing activities:		
Purchase of property, plant and equipment	(87,720)	(9,822)
Deposit paid for purchase of a leasehold property	--	(2,176)
Increase in short-term bank deposit	(2,905)	--
Proceeds from disposal of property, plant and equipment	<u>27</u>	<u>54</u>
Net cash used in investing activities	<u>(90,598)</u>	<u>(11,944)</u>
Financing activities:		
Dividend paid	(31,471)	--
Advance from jointly controlled entity	--	6,170
Increase in trust receipt loans	95,169	328,473
Repayment of bank borrowings	(123,108)	(109,333)
Proceeds from bank borrowings	<u>145,655</u>	<u>30,000</u>
Net cash from financing activities	<u>86,245</u>	<u>255,310</u>
Net increase in cash and cash equivalents	1,469	106,490
Cash and cash equivalents at beginning of year	410,050	303,714
Effects of exchange rate changes on balance of cash held in foreign currencies	5,549	(154)
Cash and cash equivalents at end of year	<u><u>417,068</u></u>	<u><u>410,050</u></u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

GROUP

	Issued capital	Share premium	Contributed surplus	Share options reserve	Currency translation reserve	Dividend reserve	Accumulate d profits	Attributable to owners of the Company	Non- controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 01/04/2009	62,000	82,906	75,070	3,425	7,418	--	111,771	342,590	5,726	348,316
Total comprehensive income for the year	--	--	--	--	(2,565)	--	70,526	67,961	950	68,911
Recognition of share-based payments	--	--	--	327	--	--	--	327	--	327
Share options cancelled	--	--	--	(159)	--	--	159	--	--	--
Proposed dividend	--	--	--	--	--	31,471	(31,471)	--	--	--
Balance at 31/03/2010	62,000	82,906	75,070	3,593	4,853	31,471	150,985	410,878	6,676	417,554
Total comprehensive income for the year	--	--	--	--	6,794	--	86,010	92,804	1,825	94,629
Recognition of share-based payment	--	--	--	835	--	--	--	835	--	835
Share options cancelled	--	--	--	(31)	--	--	31	--	--	--
Dividend paid	--	--	--	--	--	(31,471)	--	(31,471)	--	(31,471)
Proposed dividend	--	--	--	--	--	38,516	(38,516)	--	--	--
Balance at 31/03/2011	62,000	82,906	75,070	4,397	11,647	38,516	198,510	473,046	8,501	481,547

COMPANY

	Issued capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share options reserve HK\$'000	Dividend reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
Balance at 01/04/2009	62,000	82,906	75,070	3,425	--	13,322	236,723
Total comprehensive income for the year	--	--	--	--	--	37,828	37,828
Recognition of share-based payments	--	--	--	327	--	--	327
Share options cancelled	--	--	--	(159)	--	159	--
Proposed dividend	--	--	--	--	31,471	(31,471)	--
Balance at 31/03/2010	62,000	82,906	75,070	3,593	31,471	19,838	274,878
Total comprehensive income for the year	--	--	--	--	--	47,720	47,720
Recognition of share-based payments	--	--	--	835	--	--	835
Share options cancelled	--	--	--	(31)	--	31	--
Dividend paid	--	--	--	--	(31,471)	--	(31,471)
Proposed dividend	--	--	--	--	38,516	(38,516)	--
Balance at 31/03/2011	62,000	82,906	75,070	4,397	38,516	29,073	291,962

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

During the financial year, there was no change in the Company's issued share capital.

At March 31, 2011, the total number of ordinary share options was 31,771,000 (2010: 31,871,000). 100,000 (2010: 1,965,000) share options were cancelled upon resignation of the holders during the year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

As at March 31, 2011, the total number of issued shares of the Company was 310,000,000 ordinary shares (2010: 310,000,000). The Company has no treasury shares.

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have neither been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter) must be set out

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

In this current financial year, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") of the IASB that are relevant to its operations and effective for annual periods beginning on or after April 1, 2010.

Except for the adoption of the Amendment to IAS17 *Leases* and the outcome of an IFRIC discussion regarding the classification of callable term loans as stated in paragraph 5, the accounting policies adopted and methods of computation used are consistent with those followed in the preparation of the Group's audited financial statements for the year ended March 31, 2010 and the adoption of these new/revised IFRSs and IFRIC does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior periods.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Amendment to IAS 17 Leases

As part of Improvements to IFRSs issued in 2009 by IASB, IAS 17 has been amended in relation to the classification of leasehold land. Before the amendment to IAS 17, the Group classified leasehold land as operating leases and presented leasehold land as prepaid land lease payments in the consolidated statement of financial position. The amendment has removed such a requirement.

In accordance with the transitional provisions of IAS 17, the Group reassessed the classification of unexpired leasehold land as at April 1, 2010 based on information which existed at the inception of the leases.

Leasehold land that qualifies the finance lease classification has been reclassified from "prepaid lease payment" to "property, plant and equipment" retrospectively.

Classification of callable term loans that contains a “Repayment on Demand” Clause

Subsequent to the outcome of an International Financial Reporting Standards Interpretation Committee discussion in November 2010 regarding the classification of callable term loans, the Group has clarified the terms of certain loan facilities with the banks and considered that it would be more appropriate that those loans should be classified as current. Accordingly, the Group has restated their borrowings for the prior periods.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK\$53,150,000 and HK\$40,160,000 have been reclassified from non-current liabilities to current liabilities as at March 31, 2010 and April 1, 2009 respectively. As at March 31, 2011, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK\$46,221,000 have been classified as current liabilities. Such change in accounting policy has had no impact on the reported profit or loss for the current and prior years.

Summary of the effects of the above change in accounting policies

The effects of the above changes in accounting policies on the financial positions of the Group as at April 1, 2009 and March 31, 2010 are as follows:

	01/04/2009 (Originally stated) HK\$'000	Adjustments HK\$'000	01/04/2009 (Restated) HK\$'000	31/03/2010 (Originally stated) HK\$'000	Adjustments HK\$'000	31/03/2010 (Restated) HK\$'000
Property, plant and equipment	85,731	3,601	89,332	79,171	3,510	82,681
Prepaid lease payment – non-current	4,178	(3,510)	668	4,074	(3,418)	656
Prepaid lease payment – current	103	(91)	12	104	(92)	12
Bank borrowings - current	(153,075)	(40,160)	(193,235)	(60,752)	(53,150)	(113,902)
Bank borrowings – non-current	(40,160)	40,160	--	(53,150)	53,150	--
Total effect on assets and liabilities	(103,223)	--	(103,223)	(30,553)	--	(30,553)

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group Figures			
	2011		2010	
	Basic HK\$'000	Diluted HK\$'000	Basic HK\$'000	Diluted HK\$'000
Profit attributable to shareholders	86,010	86,010	70,526	70,526
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares	310,000,000	310,000,000	310,000,000	310,000,000
Adjustment for potential dilutive ordinary shares	--	5,303,171	--	1,219,007
Weighted average number of ordinary shares used to compute earnings per share	310,000,000	315,303,171	310,000,000	311,219,007
Earnings per share	27.75 (HK cents) 27.28 (HK cents)		22.75 (HK cents) 22.66 (HK cents)	

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group Figures		Company Figures	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
Net asset value per ordinary share based on issued share capital of the Company at the end of the year	152.60 (HK cents)	132.54 (HK cents)	94.18 (HK cents)	88.67 (HK cents)

The net asset backing per ordinary share as at March 31, 2011 is based on the issued share capital of 310,000,000 ordinary shares (March 31, 2010: 310,000,000).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Business Review

Following the 2008 world economic crisis, Chinese government's economic stimulus package and US government's quantitative easing programs had helped to regain consumers' confidence and had created a real domestic demand for various consumer products, causing a market rebound which started in the middle of 2009. Benefiting from the Group's continuous focus in managing resources to expand its market presence in China, we had responded swiftly to capitalize on such demand during the period and thus had achieved a substantial sales growth. As such, our overall sales for the financial year ended 31st March 2011 had increased by 29.1% to HK\$3,797.1 million (2010: HK\$2,940.8 million).

The gross margin stood at 10.16% for the financial year ended March 31, 2011 compared to 10.68% of the corresponding period.

Other operating income decreased by HK\$7.7 million. It was mainly attributable to the exchange gain of HK\$9.4 million last year versus a loss this year.

Distribution costs increased by 60.5% from HK\$31.7 million for the financial year ended March 31, 2010 to HK\$50.9 million for FY2011. The increase in distribution costs were attributable to increased sales and marketing activities and increased sales incentive for boosting such sales.

The Group managed to contain the rise in administration expenses at 7.2% to HK\$218.8 million in FY2011. We changed our depreciation policy in the last financial year from reducing balance to straight line basis and this resulted in extra expenses of HK\$10.3 million for FY2010's depreciation. If we had not changed our depreciation policy in FY2010, administration expenses would have increased by 12.9% to HK\$218.8 million - which is still significantly lower than the revenue growth of 29.1%. This moderate increase in administrative expenses was achieved through stringent cost savings measures in the past periods.

Finance costs increased by HK\$3.6 million or 35.7%, from HK\$9.9 million for the financial year ended March 31, 2010 to HK\$13.5 million for FY2011. It was mainly due to more trust receipt loans raised to cope with an increased volume of purchases when compared to prior year.

Pursuant to the PRC Enterprise Income Tax Law and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since January 1, 2008 is subject to PRC withholding tax at the applicable tax rate of 5%. With increased taxable profits for subsidiaries operating in PRC during the period, the withholding tax provision together with higher PRC Enterprise Income Tax rate compare with Hong Kong had led to an increase in effective tax rates.

Financial Position

The increase in trade receivables by HK\$72.0 million and trust receipt loans by HK\$95.2 million were due to the increase in sales and purchasing activities in the current financial period as compared to the financial year ended March 31, 2010. The debtors turnover decreased from 2.2 months to 2.0 months.

Inventories increased from HK\$468.8 million as at March 31, 2010 to HK\$476.4 million as at March 31, 2011. Our inventory turnover decreased from 2.2 months to 1.7 months over the same period.

The increase in property, plant and equipment was mainly due to the payment of HK\$79.1 million for the purchase of an office in Shanghai, China. The property was partially financed by a bank loan of HK\$34.2 million.

Cash Flow

As at March 31, 2011, the Group had a working capital of HK\$360.0 million, which included a cash balance of HK\$417.1 million, compared to a working capital of HK\$319.7 million, which included a cash balance of HK\$410.1 million at March 31, 2010. The increase in cash by HK\$7.0 million was principally attributable to the net effect of cash inflow of HK\$5.8 million in operating activities and HK\$86.2 million from financing activities and cash outflows of HK\$90.6 million in investing activities.

Cash inflow from financing activities was attributable to bank loans raised subsequent to the full repayment of bank loans raised in previous years and for the purchase of an office in Shanghai, China.

Cash outflow in investing activities was mainly attributable to the purchase of an office in Shanghai, China.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No prospect statement was previously disclosed in the half year announcement for the financial period ended September 30, 2010.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The earthquake and the ensuing tsunami and nuclear crisis in March 2011 caused extensive damage to the north-eastern part of Japan. This has posted a great deal of uncertainties to the electronic components market in the immediate future. It has disrupted the global electronics supply chain and the recovery of which would depend to a certain extent on how fast the Japanese Government can keep the radiation in check and rebuild the affected areas. Besides the supply disruptions of electronic components, rising oil prices, volatility in raw material prices, rising staff cost and inflation in China and foreign currency fluctuations, all these would have an adverse impact on the economic recovery. Hence the recovery is expected to be uncertain and the market is marked by intense competition.

Nevertheless, the Company is cautiously optimistic on the business outlook and will continue to be prudent in managing the operations while maintaining healthy liquidity position.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend :	First & Final
Dividend Type :	Cash
Dividend Rate :	HK\$0.10354 per ordinary share (equivalent to S\$0.0165)
Par value of shares :	HK\$0.20 each
Tax Rate :	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend :	First & Final
Dividend Type :	Cash
Dividend Rate :	HK\$0.10152 per ordinary share (equivalent to S\$0.018)
Par value of shares :	HK\$0.20 each
Tax Rate :	Not applicable

(c) Date payable

The proposed first and final dividend, if approved by shareholders of the Company at the Annual General Meeting to be held on July 28, 2011, will be payable on August 19, 2011.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer books and Register of Members of the Company will be closed at the close of market on August 8, 2011. Duly completed transfers received by the Company's Share Transfer Agent, Intertrust Singapore Corporate Services Pte Limited of 3 Anson Road, #27-01, Springleaf Tower, Singapore 079909 up to the close of market on August 8, 2011 will be registered to determine shareholders' entitlements to the proposed dividend.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Interested Person Transactions

No interested person transactions were entered into during the year.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

The following is an analysis of the Group's information by operating segment:

2011

	Trading of electronic components				Sub-total	Trading and design of integrated circuit	Elimination	Total
	Southern China	Northern China	Taiwan	Others				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue								
Sales - outsiders	2,526,349	1,159,348	73,221	--	3,758,918	38,202	--	3,797,120
Sales - inter-company	475,058	276,073	13,475	1,139	765,745	37,573	(803,318)	--
Net sales	<u>3,001,407</u>	<u>1,435,421</u>	<u>86,696</u>	<u>1,139</u>	<u>4,524,663</u>	<u>75,775</u>	<u>(803,318)</u>	<u>3,797,120</u>
Cost of sales	<u>2,761,733</u>	<u>1,335,364</u>	<u>79,692</u>	<u>1,139</u>	<u>4,177,928</u>	<u>37,416</u>	<u>(803,900)</u>	<u>3,411,444</u>
Gross profit	<u>239,674</u>	<u>100,057</u>	<u>7,004</u>	<u>--</u>	<u>346,735</u>	<u>38,359</u>	<u>582</u>	<u>385,676</u>
Segment result	<u>88,536</u>	<u>23,457</u>	<u>(1,256)</u>	<u>(21)</u>	<u>110,716</u>	<u>4,629</u>	<u>582</u>	<u>115,927</u>
Unallocated other revenue								126
Release of exchange difference upon dissolution of overseas operations								(7)
Unallocated corporate expenses								(5,980)
Share of loss of jointly controlled entities								(22)
Profit before income tax								110,044
Income tax								(22,209)
Profit for the year								87,835
Non-controlling interests								(1,825)
Profit attributable to shareholders								<u>86,010</u>

2010

	Trading of electronic components				Trading and design of integrated circuit	Elimination	Total	
	Southern China HK\$'000	Northern China HK\$'000	Taiwan HK\$'000	Others HK\$'000	Sub-total HK\$'000			HK\$'000
Revenue								
Sales - outsiders	1,991,111	874,538	38,336	--	2,903,985	36,853	--	2,940,838
Sales - inter-company	404,513	271,960	892	1,164	678,529	27,082	(705,611)	--
Net sales	<u>2,395,624</u>	<u>1,146,498</u>	<u>39,228</u>	<u>1,164</u>	<u>3,582,514</u>	<u>63,935</u>	<u>(705,611)</u>	<u>2,940,838</u>
Cost of sales	<u>2,212,533</u>	<u>1,050,421</u>	<u>36,461</u>	<u>1,174</u>	<u>3,300,589</u>	<u>31,998</u>	<u>(705,971)</u>	<u>2,626,616</u>
Gross profit	<u>183,091</u>	<u>96,077</u>	<u>2,767</u>	<u>(10)</u>	<u>281,925</u>	<u>31,937</u>	<u>360</u>	<u>314,222</u>
Segment result	<u>39,057</u>	<u>43,763</u>	<u>(2,814)</u>	<u>(113)</u>	<u>79,893</u>	<u>2,138</u>	<u>360</u>	<u>82,391</u>
Release of exchange difference upon dissolution of overseas operations								2,263
Unallocated other revenue								2,740
Unallocated corporate expenses								(3,675)
Share of loss of jointly controlled entities								(198)
Profit before income tax								83,521
Income tax								(12,045)
Profit for the year								71,476
Non-controlling interests								(950)
Profit attributable to shareholders								<u>70,526</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

For detail review of performance, please refer to paragraph 8.

16. breakdown of sales

Group

		2011 HK\$'000	2010 HK\$'000	Increase/ (Decrease) %
(a)	Sales reported for first half year	1,987,205	1,328,099	49.6
(b)	Operating profit after tax before deducting minority interests reported for first half year	52,574	32,898	59.8
(c)	Sales reported for second half year	1,809,915	1,612,739	12.2%
(d)	Operating profit after tax before deducting minority interests reported for second half year	35,261	38,578	(8.6%)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Total Annual Dividend	
	Latest Full Year HK\$'000	Previous Full Year HK\$'000
Ordinary	38,516	31,471
Preference	0	0
Total:	38,516	31,471

BY ORDER OF THE BOARD

Leung Chun Wah
Chairman

May 26, 2011