

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended March 31, 2012

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, 2012. These figures have not been audited.

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

	2012 HK\$'000	2011 HK\$'000	Increase (Decrease) %
Revenue	3,262,086	3,797,120	(14.1)
Cost of sales	<u>(2,959,401)</u>	<u>(3,411,444)</u>	(13.3)
Gross profit	302,685	385,676	(21.5)
Other operating income	4,246	3,768	12.7
Distribution costs	(39,021)	(50,862)	(23.3)
Administrative expenses	(216,028)	(206,932)	4.4
Share of loss of jointly controlled entities	(21)	(22)	(4.5)
Other gains and losses	19,538	(8,053)	NM
Finance costs	<u>(15,514)</u>	<u>(13,531)</u>	14.7
Profit before tax	55,885	110,044	(49.2)
Income tax expense	<u>(13,132)</u>	<u>(22,209)</u>	(40.9)
Profit for the year	<u><u>42,753</u></u>	<u><u>87,835</u></u>	(51.3)
Other comprehensive income:			
Exchange difference on translation of overseas operations	6,463	6,787	(4.8)
Release of exchange difference upon dissolution of overseas operations	<u>(209)</u>	<u>7</u>	NM
Other comprehensive income for the year, net of tax	<u>6,254</u>	<u>6,794</u>	(7.9)
Total comprehensive income for the year	<u><u>49,007</u></u>	<u><u>94,629</u></u>	(48.2)
Profit attributable to:			
Owners of the Company	44,518	86,010	(48.2)
Non-controlling interests	<u>(1,765)</u>	<u>1,825</u>	(196.7)
	<u><u>42,753</u></u>	<u><u>87,835</u></u>	(51.3)
Total comprehensive income attributable to:			
Owners of the Company	50,761	92,804	(45.3)
Non-controlling interests	<u>(1,754)</u>	<u>1,825</u>	(196.1)
	<u><u>49,007</u></u>	<u><u>94,629</u></u>	(48.2)

NM: Not Meaningful

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

	2012	2011
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	11,723	8,628
Amortisation of prepaid lease payment	13	12
Share-based payment expense	423	835
(Reversal of) allowance for doubtful trade receivables	(15,240)	10,081
Allowance for inventories	18,517	12,131
Foreign exchange (gain) loss, net	(4,828)	1,765
Loss (gain) on disposal of property, plant and equipment	3	(1)
Research and development expenses	23,294	21,341
Net loss (gain) on fair value changes of derivative financial instruments	736	(3,799)
Interest income	(1,662)	(1,314)
Release of exchange difference upon dissolution of overseas operations	(209)	7

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

	The Group		The Company	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
ASSETS				
Current assets:	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash and bank balances	333,258	417,068	2,422	965
Restricted bank deposits	27,256	--	--	--
Short-term bank deposit	--	2,905	--	--
Trade and bills receivables	509,047	611,563	--	--
Other receivables and prepayments	6,861	13,997	225,646	182,226
Prepaid lease payment - current	12	12	--	--
Income tax recoverable	800	88	392	--
Derivative financial instruments	237	28	--	--
Inventories	346,661	476,448	--	--
Total current assets	1,224,132	1,522,109	228,460	183,191
Non-current assets:				
Prepaid lease payment – non current	631	644	--	--
Property, plant and equipment	172,288	166,380	--	--
Long-term deposits	1,762	329	--	--
Available-for-sale investments	2,001	2,001	--	--
Derivative financial instruments	--	3	--	--
Interests in jointly controlled entities	8,753	8,773	--	--
Deferred tax assets	1,416	3,512	--	--
Subsidiaries	--	--	117,470	117,470
Total non-current assets	186,851	181,642	117,470	117,470
Total assets	1,410,983	1,703,751	345,930	300,661
LIABILITIES AND EQUITY				
Current liabilities:				
Trust receipt loans	306,001	639,628	--	--
Trade payables	307,093	373,918	--	--
Other payables	48,398	52,220	8,690	8,349
Derivative financial instruments	292	146	--	--
Income tax payable	1,794	6,031	--	350
Amounts due to jointly controlled entities	8,753	8,670	--	--
Bank borrowings	128,870	81,449	--	--
Total current liabilities	801,201	1,162,062	8,690	8,699
Non-current liabilities:				
Bank borrowings	65,500	55,000	--	--
Derivative financial instruments	3,805	3,009	--	--
Deferred tax	2,428	2,133	--	--
Total non-current liabilities	71,733	60,142	--	--
Capital and reserves:				
Issued capital	74,544	62,000	74,544	62,000
Capital reserves	196,722	162,373	196,722	162,373
Currency translation reserve	17,890	11,647	--	--
Accumulated profits	243,106	237,026	65,974	67,589
Equity attributable to owners of the Company	532,262	473,046	337,240	291,962
Non-controlling interests	5,787	8,501	--	--
Total equity	538,049	481,547	337,240	291,962
Total liabilities and equity	1,410,983	1,703,751	345,930	300,661

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

Amount repayable in one year or less, or on demand

As at 31/03/2012		As at 31/03/2011	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
30,570	404,301	33,049	688,028

Amount repayable after one year

As at 31/03/2012		As at 31/03/2011	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
0	65,500	0	55,000

Details of any collateral

As at March 31, 2012, the Group pledged a property located in Shanghai, the People's Republic of China, with carrying value of approximately HK\$79,878,000 to secure bank borrowings granted to the Group.

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

Operating activities:	2012	2011
	HK\$'000	HK\$'000
Profit before tax	55,885	110,044
Adjustments for:		
Depreciation expense	11,723	8,628
Amortisation of prepaid lease payments	13	12
Interest expense	15,514	13,531
Share-based payment expense	423	835
Allowance for inventories	18,517	12,131
(Reversal of) allowance for doubtful trade receivables	(15,240)	10,081
Loss (gain) on disposal of property, plant and equipment	3	(1)
Net loss (gain) on fair value changes of derivative financial instruments	736	(3,799)
Share of loss of jointly controlled entities	21	22
Release of exchange difference upon dissolution of overseas operations	(209)	7
Interest income	(1,662)	(1,314)
Operating cash flows before movements in working capital	85,724	150,177
Trade and bills receivables	123,477	(82,950)
Other receivables and prepayments	7,283	6,428
Inventories	113,709	(19,980)
Trade payables	(68,666)	(22,212)
Other payables	(4,177)	8,418
Long-term deposits	(1,430)	1,081
Restricted bank deposits	(2,454)	--
Amounts due from jointly controlled entities	82	14
Cash generated from operations	253,548	40,976
Income tax paid	(15,757)	(22,937)
Interest paid	(15,514)	(13,531)
Interest received	1,662	1,314
Net cash from operating activities	223,939	5,822
Investing activities:		
Purchase of property, plant and equipment	(12,332)	(87,720)
Decrease (increase) in short-term bank deposit	2,905	(2,905)
Proceeds from disposal of property, plant and equipment	3	27
Net cash used in investing activities	(9,424)	(90,598)
Financing activities:		
Dividend paid	(38,516)	(31,471)
Dividend paid to non-controlling interests	(960)	--
Proceeds from rights issue	46,128	--
Proceeds from exercise of share options	420	--
Increase in restricted bank deposits	(24,802)	--
(Decrease) increase in trust receipt loans	(333,627)	95,169
Repayment of bank borrowings	(35,257)	(123,108)
Proceeds from bank borrowings	92,000	145,655
Net cash (used in) from financing activities	(294,614)	86,245
Net (decrease) increase in cash and cash equivalents	(80,099)	1,469
Cash and cash equivalents at beginning of year	417,068	410,050
Effects of exchange rate changes on balance of cash held in foreign currencies	(3,711)	5,549
Cash and cash equivalents at end of year	333,258	417,068

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	Share	Contributed	Share	Currency	Accumulated	Attributable to	Non-	Total
	capital	premium	surplus	options	translation	profits	owners of the	controlling	
	HK\$'000	HK\$'000	HK\$'000	reserve	reserve	HK\$'000	Company	interests	HK\$'000
At 01/04/2010	62,000	82,906	75,070	3,593	4,853	182,456	410,878	6,676	417,554
Profit for the year	--	--	--	--	--	86,010	86,010	1,825	87,835
Other comprehensive income, net of income tax	--	--	--	--	6,794	--	6,794	--	6,794
Total comprehensive income for the year	--	--	--	--	6,794	86,010	92,804	1,825	94,629
Recognition of share-based payments	--	--	--	835	--	--	835	--	835
Share options cancelled	--	--	--	(31)	--	31	--	--	--
Dividend paid	--	--	--	--	--	(31,471)	(31,471)	--	(31,471)
Balance at 31/03/2011	62,000	82,906	75,070	4,397	11,647	237,026	473,046	8,501	481,547
Profit for the year	--	--	--	--	--	44,518	44,518	(1,765)	42,753
Other comprehensive income, net of income tax	--	--	--	--	6,243	--	6,243	11	6,254
Total comprehensive income for the year	--	--	--	--	6,243	44,518	50,761	(1,754)	49,007
Proceeds from rights issue	12,400	33,728	--	--	--	--	46,128	--	46,128
Shares issued from exercise of share options	144	393	--	(117)	--	--	420	--	420
Recognition of share-based payment	--	--	--	423	--	--	423	--	423
Share options cancelled	--	--	--	(78)	--	78	--	--	--
Dividend paid to non-controlling interests	--	--	--	--	--	--	--	(960)	(960)
Dividend paid	--	--	--	--	--	(38,516)	(38,516)	--	(38,516)
Balance at 31/03/2012	74,544	117,027	75,070	4,625	17,890	243,106	532,262	5,787	538,049

COMPANY

	Issued capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Share options reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000
Balance at 01/04/2010	62,000	82,906	75,070	3,593	51,309	274,878
Profit and 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)
Balance at 31/03/2011	62,000	82,906	75,070	4,397	67,589	291,962
Profit and comprehensive income for the year	--	--	--	--	36,823	36,823
Proceeds from rights issue	12,400	33,728	--	--	--	46,128
Shares issued from exercise of share options	144	393	--	(117)	--	420
Recognition of share-based payments	--	--	--	423	--	423
Share options cancelled	--	--	--	(78)	78	--
Dividend paid	--	--	--	--	(38,516)	(38,516)
Balance at 31/03/2012	74,544	117,027	75,070	4,625	65,974	337,240

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

On 8th April, 2011, the Company issued 62,000,000 new ordinary shares ("Rights Shares") in the capital of the Company pursuant to a renounceable non-underwritten rights issue on the basis of one (1) Rights Share for every five (5) existing ordinary shares in the capital of the Company. The rights issue was over-subscribed and the Company has raised proceeds of approximately HK\$46.1 million.

As announced on 12th May 2011 in connection with the Rights Issue, the number and exercise price of the the unexercised share options have been adjusted as follows:

ESOS	Date of grant	Exercise period	Original number of options	Number of options after adjusting for the Rights Issue	Original exercise price per share	Exercise price per share after adjusting for the Rights Issue
ESOS I	14 Jun 2001	14 Jun 2002 to 13 Jun 2011	6,032,000	7,238,400	S\$0.280	S\$0.233
ESOS II	11 Apr 2002	11 Apr 2004 to 10 Apr 2012	5,740,000	6,888,000	S\$0.180	S\$0.015

ESOS II	6 May 2003	6 May 2005 to 5 May 2013	1,100,000	1,320,000	S\$0.110	S\$0.092
ESOS II	17 Apr 2004	17 Apr 2006 to 16 Apr 2014	9,450,000	11,340,000	S\$0.180	S\$0.150
ESOS II	18 Nov 2004	18 Nov 2006 to 17 Nov 2014	350,000	420,000	S\$0.145	S\$0.121
ESOS II	2 Oct 2009	2 Oct 2011 to 1 Oct 2019	9,099,000	10,918,800	S\$0.080	S\$0.067
			31,771,000	38,125,200		

During the the financial year ended March 31, 2012, the Company increased its issued and paid-up share capital as a result of the issue of 720,000 ordinary shares of HK\$0.20 each at S\$0.092 per share upon the exercise by the holders of share options granted under ESOS II.

At March 31, 2012, the total number of ordinary share options was 29,866,800 (2011: 31,771,000). 300,000 (2011: 100,000) share options were cancelled upon resignation of the holders during the year while 7,238,400 (2011: Nil) share options were lapsed upon expiry of the exercise period.

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, 2012, the total number of issued shares of the Company was 372,720,000 ordinary shares (2011: 310,000,000). The Company has no treasury shares.

1(d)(iv) A statement showing all sales, transfers, disposals, 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 a 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, 2011.

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 31st March 2011 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.

Not applicable.

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

	Group Figures			
	2012		2011	
	Basic HK\$'000	Diluted HK\$'000	Basic HK\$'000	Diluted HK\$'000
Profit attributable to shareholders	44,518	44,518	86,010	86,010
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares	371,421,413	371,421,413	320,689,655	320,689,655
Adjustment for potential dilutive ordinary shares	--	6,716,737	--	5,486,039
Weighted average number of ordinary shares used to compute earnings per share	371,421,413	378,138,150	320,689,655	326,175,694
Earnings per share	11.99 (HK cents) 11.77 (HK cents) 26.82 (HK cents) 26.37 (HK cents)			

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

	<u>Group Figures</u>		<u>Company Figures</u>	
	<u>31/03/2012</u>	<u>31/03/2011</u>	<u>31/03/2012</u>	<u>31/03/2011</u>
Net asset value per ordinary share based on issued share capital of the Company at the end of the year	142.80 (HK cents)	152.60 (HK cents)	90.48 (HK cents)	94.18 (HK cents)

The net asset backing per ordinary share as at March 31, 2012 is based on the issued share capital of 372,720,000 ordinary shares (March 31, 2011: 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

The Japanese electronic components manufacturers responded swiftly to the damaged factories caused by the earthquake and the ensuing tsunami in March 2011. Thus, the production capacity of these factories have been restored to almost the pre-tsunami levels. As a result, the overall supply of electronic components had stabilized shortly after the disaster. However the demand had not matched the supply as the economic slowdown caused by the European sovereign debts crisis had worsened the already weakened consumers' sentiment. Thus the Group's revenue for FY2012 had decreased by 14.1% to HK\$3,262.1 million (2011: HK\$3,797.1 million).

The sufficient supply of electronic components together with the decreased demand of the same due to the depressed economic environment cited above have imposed an intense price pressure on the electronic components market. This resulted in the decrease in the gross margin from 10.16% for FY2011 to 9.28% for FY2012.

Distribution costs decreased by 23.3% from HK\$50.9 million for FY2011 to HK\$39.0 million for FY2012. The decrease in distribution costs were mainly attributable to the reduction of sales incentive costs for sales people as a result of decline in sales.

Administrative expenses increased by 4.4% from HK\$206.9 million for FY2011 to HK\$216.0 million for FY2012. This moderate increase in administrative expenses was achieved through stringent cost savings measures in the past periods.

Other gains for FY2012 was mainly attributable to the reversal of allowance for doubtful trade receivables for the current year versus an allowance made in last year.

Finance costs increased by HK\$2.0 million, or 14.7%, from HK\$13.5 million for the FY2011 to HK\$15.5 million for FY2012. It was mainly due to an increase in interest rates from the previous year.

Financial Position

The decrease in trade and bills receivables by HK\$102.5 million and trust receipt loans by HK\$333.6 million were due to the decrease in sales and purchasing activities in the current financial year as compared to FY2011. Debtors turnover improved from 2.0 months to 1.9 months.

Inventories decreased from HK\$476.4 million as at March 31, 2011 to HK\$346.7 million as at March 31, 2012. Our inventory turnover improved from 1.7 months to 1.4 months over the same period.

Cash Flow

As at March 31, 2012, the Group had a working capital of HK\$422.9 million, which included a cash balance of HK\$333.3 million, compared to a working capital of HK\$360.0 million, which included a cash balance of HK\$417.1 million at March 31, 2011. The decrease in cash by HK\$83.8 million was principally attributable to the net effect of cash inflow of HK\$223.9 million from operating activities and cash outflows of HK\$9.4 million in investing activities and HK\$294.6 million in financing activities.

Cash inflow from operating activities was attributable to the decrease in trade and bills receivables and inventories in line with the decrease in sales revenue and purchase during the year.

Cash outflow in investing activities was mainly attributable to the renovation of the Hong Kong office.

Cash outflow in financing activities was mainly attributable to the decrease in trust receipt loans due to lesser purchasing activities during the year.

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, 2011.

10. A commentary at the date of the announcement of the significant trends and 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.

With a slow recovery in the US economy and the aggravated sovereign debt issues in Europe, the global economy remains at a difficult stage. Together with 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.

The Group will continue to be prudent in managing its operations while maintaining a 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, Special
Dividend Type :	Cash
Dividend Rate :	First & Final: HK\$0.06088 per ordinary share (equivalent to S\$0.01) Special: HK\$0.01826 per ordinary share (equivalent to S\$0.003)
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\$0.10354 per ordinary share (equivalent to S\$0.0165)
Par value of shares :	HK\$0.20 each
Tax Rate :	Not applicable

(c) Date payable

The proposed first & final and special dividends, if approved by shareholders of the Company at the Annual General Meeting to be held on July 30, 2012, will be payable on August 21, 2012.

(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, 2012. Duly completed transfers received by the Company's Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd. of 3 Anson Road, #27-01, Springleaf Tower, Singapore 079909 up to the close of market on August 8, 2012 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. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate has been obtained from its shareholders for interested person transactions .

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 operating 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:

	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	2,159,340	994,488	84,049	--	3,237,877	24,209	--	3,262,086
Sales - inter-company	390,559	271,114	23,668	1,370	686,711	33,762	(720,473)	--
Net sales	2,549,899	1,265,602	107,717	1,370	3,924,588	57,971	(720,473)	3,262,086
Cost of sales	2,361,913	1,188,347	98,525	1,370	3,650,155	28,824	(719,578)	2,959,401
Gross profit	187,986	77,255	9,192	--	274,433	29,147	(895)	302,685
Segment result	54,102	10,807	117	(32)	64,994	(4,324)	(895)	59,775
Release of exchange difference upon dissolution of overseas operations								209
Unallocated other revenue								129
Unallocated corporate expenses								(4,207)
Share of loss of jointly controlled entities								(21)
Profit before income tax								55,885
Income tax								(13,132)
Profit for the year								42,753
Non-controlling interests								1,765
Profit attributable to shareholders								44,518

2011

	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	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	3,001,407	1,435,421	86,696	1,139	4,524,663	75,775	(803,318)	3,797,120
Cost of sales	2,761,733	1,335,364	79,692	1,139	4,177,928	37,416	(803,900)	3,411,444
Gross profit	239,674	100,057	7,004	--	346,735	38,359	582	385,676
Segment result	88,536	23,457	(1,256)	(21)	110,716	4,629	582	115,927
Release of exchange difference upon dissolution of overseas operations								(7)
Unallocated other revenue								126
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								86,010

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

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

16. A breakdown of sales

Group

		2012 HK\$'000	2011 HK\$'000	Increase/ (Decrease) %
(a)	Sales reported for first half year	1,786,316	1,987,205	(10.1%)
(b)	Operating profit after tax before deducting minority interests reported for first half year	31,216	52,574	(40.6%)
(c)	Sales reported for second half year	1,475,770	1,809,915	(18.5%)
(d)	Operating profit after tax before deducting minority interests reported for second half year	11,537	35,261	(67.3%)

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	29,499	38,516
Preference	0	0
Total:	29,499	38,516

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Daniel Leung Chi Hang	36	Eldest son of Mr Leung Chun Wah, the Chairman and Substantial Shareholder of the Company.	General Manager for Information Technology and Logistics with effect from 1 September 2008. He is responsible for overseeing the Information Technology and Logistics functions of the Company.	No change

BY ORDER OF THE BOARD

Leung Chun Wah
Chairman

May 29, 2012