

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended 31 March 2010

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

Group Income Statement for the year ended 31 March 2010. 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

	2010 HK\$'000	2009 HK\$'000	Increase (Decrease) %
Revenue	2,940,838	2,350,985	25.1
Cost of sales	<u>(2,626,616)</u>	<u>(2,108,487)</u>	24.6
Gross profit	314,222	242,498	29.6
Other operating income	13,011	4,750	173.9
Release of exchange difference upon dissolution of overseas operations	2,263	--	NM
Distribution costs	(31,683)	(31,090)	1.9
Administrative expenses	(204,126)	(207,860)	(1.8)
Share of loss of jointly controlled entities	(198)	(972)	(79.6)
Finance costs	<u>(9,968)</u>	<u>(18,145)</u>	(45.1)
Profit (Loss) before impairment charges and tax	83,521	(10,819)	872.0
Impairment loss on goodwill	--	(6,693)	NM
Impairment loss on intangible assets	<u>--</u>	<u>(8,776)</u>	NM
Profit (Loss) before tax	83,521	(26,288)	417.7
Income tax expense	<u>(12,045)</u>	<u>(649)</u>	NM
Profit (Loss) for the year	<u>71,476</u>	<u>(26,937)</u>	365.3
Other comprehensive income:			
Exchange difference on translation of overseas operations	(302)	5,149	(105.9)
Release of exchange difference upon dissolution of overseas operations	<u>(2,263)</u>	<u>--</u>	NM
Other comprehensive income for the year, net of tax	<u>(2,565)</u>	<u>5,149</u>	(149.8)
Total comprehensive income for the year, net of tax	<u>68,911</u>	<u>(21,788)</u>	416.3
Profit (Loss) attributable to:			
Owners of the Company	70,526	(19,657)	458.8
Minority interests	950	(7,280)	113.0
	<u>71,476</u>	<u>(26,937)</u>	365.3
Total comprehensive income attributable to:			
Owners of the Company	67,961	(14,508)	568.4
Minority interests	950	(7,280)	113.0
	<u>68,911</u>	<u>(21,788)</u>	416.3

NM: Not Meaningful

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

	2010	2009
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	16,173	6,297
Amortisation of prepaid lease payment	103	103
Amortisation of other intangible assets	--	3,442
Allowance for doubtful trade receivables	8,246	10,893
(Reversal of) allowance for inventories	(7,837)	7,250
Foreign exchange (gain) loss, net	(9,390)	8,239
Loss on disposal of property, plant and equipment	475	1,124
Research and development expenses	20,101	19,393
Net loss on fair value changes of derivative financial instruments	6,927	2,259
Interest income	(619)	(2,039)
Release of exchange difference upon dissolution of overseas operations	(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	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
ASSETS				
Current assets:	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash and bank balances	410,050	303,714	964	470
Trade receivables	539,524	285,811	--	--
Other receivables and prepayments	20,425	10,020	162,124	123,442
Prepaid lease payment - current	104	103	--	--
Income tax recoverable	131	1,020	43	42
Derivative financial instruments	--	4	--	--
Inventories	468,839	234,939	--	--
Total current assets	1,439,073	835,611	163,131	123,954
Non-current assets:				
Prepaid lease payment – non current	4,074	4,178	--	--
Property, plant and equipment	79,171	85,731	--	--
Long-term deposits	3,586	1,096	--	--
Available-for-sale investments	2,001	2,001	--	--
Derivative financial instruments	44	--	--	--
Interest in jointly controlled entities	8,795	9,015	--	--
Deferred tax assets	2,664	2,244	--	--
Subsidiaries	--	--	117,470	117,470
Total non-current assets	100,335	104,265	117,470	117,470
Total assets	1,539,408	939,876	280,601	241,424
LIABILITIES AND EQUITY				
Current liabilities:				
Trust receipt loans	544,459	215,986	--	--
Trade payables	396,130	145,707	--	--
Other payables	43,803	32,284	5,723	4,701
Derivative financial instruments	4,441	--	--	--
Income tax payable	7,937	626	--	--
Amounts due to jointly controlled entities	8,656	2,486	--	--
Current portion of long-term borrowings	60,752	153,075	--	--
Total current liabilities	1,066,178	550,164	5,723	4,701
Non-current liabilities:				
Long-term borrowings	53,150	40,160	--	--
Derivative financial instruments	2,526	--	--	--
Deferred tax	--	1,236	--	--
Total non-current liabilities	55,676	41,396	--	--
Capital and reserves:				
Issued capital	62,000	62,000	62,000	62,000
Capital reserves	161,569	161,401	161,569	161,401
Currency translation reserve	4,853	7,418	--	--
Dividend reserve	31,471	--	31,471	--
Accumulated profits	150,985	111,771	19,838	13,322
Equity attributable to owners of the Company	410,878	342,590	274,878	236,723
Minority interests	6,676	5,726	--	--
Total equity	417,554	348,316	274,878	236,723
Total liabilities and equity	1,539,408	939,876	280,601	241,424

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

Amount repayable in one year or less, or on demand

As at 31/03/2010		As at 31/03/2009	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
0	605,211	0	369,061

Amount repayable after one year

As at 31/03/2010		As at 31/03/2009	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
0	53,150	0	40,160

Details of any collateral

There are no secured borrowings at 31st March 2010 and 31st March 2009.

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

	2010	2009
	HK\$'000	HK\$'000
Operating activities:		
Profit (Loss) before tax	83,521	(26,288)
Adjustments for:		
Depreciation expense	16,173	6,297
Amortisation of prepaid lease payments	103	103
Amortisation of intangible assets	--	3,442
Share-based payment expense	327	--
Interest expense	9,968	18,145
(Reversal of) allowance for inventories	(7,837)	7,250
Allowance for doubtful trade receivables	8,246	10,893
Impairment loss on goodwill	--	6,693
Impairment loss on other intangible assets	--	8,776
Loss on disposal of property, plant and equipment	475	1,124
Net loss on fair value changes of derivative financial instruments	6,927	2,259
Share of loss of jointly controlled entities	198	972
Release of exchange difference upon dissolution of overseas operations	(2,263)	--
Interest income	(619)	(2,039)
Operating cash flows before movements in working capital	115,219	37,627
Trade receivables	(262,333)	131,590
Other receivables and prepayments	(10,405)	(170)
Inventories	(226,130)	172,075
Trade payables	250,422	(102,921)
Other payables	11,519	(7,963)
Long-term deposits	(314)	390
Amounts due from jointly controlled entities	--	85
Cash (used in) generated from operations	(122,022)	230,713
Income tax paid	(5,505)	(8,562)
Interest paid	(9,968)	(18,145)
Interest received	619	2,039
Net cash (used in) from operating activities	(136,876)	206,045
Investing activities:		
Purchase of property, plant and equipment	(9,822)	(53,243)
Deposit paid for purchase of a leasehold property	(2,176)	--
Expenditure on capitalised development costs	--	(1,099)
Acquisition of available-for-sale investments	--	(811)
Proceeds from disposal of property, plant and equipment	51	79
Net cash used in investing activities	(11,947)	(55,074)
Financing activities:		
Dividend paid	--	(23,202)
Advance from jointly controlled entity	6,170	2,500
Increase (decrease) in trust receipt loans	328,473	(129,165)
Repayment of bank borrowings	(109,333)	(24,855)
Proceeds from bank borrowings	30,000	126,000
Proceeds from exercise of share options	--	206
Net cash from (used in) financing activities	255,310	(48,516)
Net increase in cash and cash equivalents	106,487	102,455
Cash and cash equivalents at beginning of year	303,714	196,152
Effects of exchange rate changes on balance of cash held in foreign currencies	(151)	5,107
Cash and cash equivalents at end of year	410,050	303,714

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	Accumulated profits	Attributable to owners of the Company	Minority interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 01/04/2008	61,960	82,678	75,070	3,684	2,269	23,202	131,231	380,094	13,006	393,100
Total comprehensive income for the year	--	--	--	--	5,149	--	(19,657)	(14,508)	(7,280)	(21,788)
Proceeds from the exercise of share options	40	228	--	(62)	--	--	--	206	--	206
Share options cancelled	--	--	--	(197)	--	--	197	--	--	--
Dividend paid	--	--	--	--	--	(23,202)	--	(23,202)	--	(23,202)
Balance at 31/03/2009	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 payment	--	--	--	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

COMPANY

	Issued capital	Share premium	Contributed surplus	Share options reserve	Dividend reserve	Accumulated profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 01/04/2008	61,960	82,678	75,070	3,684	23,202	8,136	254,730
Total comprehensive income for the year	--	--	--	--	--	4,989	4,989
Proceeds from the exercise of share options	40	228	--	(62)	--	--	206
Share options cancelled	--	--	--	(197)	--	197	--
Dividend paid	--	--	--	--	(23,202)	--	(23,202)
Balance at 31/03/2009	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 payment	--	--	--	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

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.

On 2nd October 2009, options of 9,860,000 were granted under ESOS Scheme II with an exercise price of S\$0.08 per share. 1,965,000 (2009: 1,624,000) share options were cancelled upon resignation of the holders during the year. At 31st March 2010, the total number of ordinary share options was 31,871,000 (2009: 23,976,000).

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 31st March 2010, the total number of issued shares of the Company was 310,000,000 ordinary shares (2009: 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

Except for the change in depreciation method 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 31st March 2009.

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 1st April 2009. 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 years except as disclosed below:

IAS 1 – Presentation of Financial Statements (Revised) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

IFRS 8 – Operating Segments has resulted in a redesignation of the Group’s reportable segments.

Amendments to IFRS 7 – Improving Disclosure about Financial Instruments expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

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

To better reflect the economic benefit brought about by the plant and equipment in use, it was considered more appropriate to change the depreciation method of plant and equipment from reducing balance to straight line effective from 1st April 2009:

	<u>Previous depreciation method</u>	<u>New depreciation method</u>
Motor vehicles	20%, reducing balance	20%, straight line
Plant and equipment	15%, reducing balance	20%, straight line
Furniture and fixtures	15%, reducing balance	20% to 33 ^{1/3} %, straight line

The effect of the change of depreciation method had led to an increase in depreciation expenses of HK\$10,346,000 in the current year which has been included under administrative expenses.

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			
	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
	Basic HK\$'000	Diluted HK\$'000	Basic HK\$'000	Diluted HK\$'000
Profit (loss) attributable to shareholders	70,526	70,526	(19,657)	(19,657)
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares	310,000,000	310,000,000	309,948,493	309,948,493
Adjustment for potential dilutive ordinary shares	--	1,219,007	--	--
Weighted average number of ordinary shares used to compute earnings per share	310,000,000	311,219,007	309,948,493	309,948,493
Earnings (loss) per share	22.75 (HK cents)	22.66 (HK cents)	(6.34) (HK cents)	(6.34) (HK cents)

The disclosure of diluted loss per share for 2009 was equivalent to the basic loss per share as the share options granted were anti-dilutive.

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	
	<u>31/03/2010</u>	<u>31/03/2009</u>	<u>31/03/2010</u>	<u>31/03/2009</u>
Net asset value per ordinary share based on issued share capital of the Company at the end of the year	132.54 (HK cents)	110.51 (HK cents)	88.67 (HK cents)	76.36 (HK cents)

The net asset backing per ordinary share as at 31st March 2010 is based on the issued share capital of 310,000,000 ordinary shares (31st March 2009: 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 effect of 2008 world economic crisis, which started during the second half of the previous financial year, had persisted till the early part of the current financial year. The initial curtailment of orders from manufacturers had led to an overall decrease in demand for components. However such a decrease had been subsequently countered by the stimulus program implemented by the Chinese government, which had created a real domestic demand for consumer products. This positive effects have filtered down to many industries, including the electronic components market. As such our overall sales for the financial year ended 31st March 2010 had increased by 25.1% to HK\$2,940.8 million (2009: HK\$2,351.0 million).

Our effort in clearing excess inventory before and during the crisis had enabled us to maintain an optimal level of inventory and as such, the deliberate price reductions which were practised during the previous year were no longer necessary. In fact, many suppliers had, in view of the crisis, downsized their operations and thus reduced the supply of certain components. This reduction of supply had created a temporary shortage, which to an extent, eased the earlier price competitions which eroded our margin. Accordingly, this had resulted in an improved and more stable margin as compared to last year. Thus overall gross margin had increased from 10.31% to 10.68% year-on-year.

The Group was able to contain the increase in distribution costs at a rate of 1.9%, which is far less than the corresponding rate of increase in sales revenue of 25.1%. This moderate increase was achieved through drastic cost cutting measures which had been implemented since the second half of previous financial year.

Administrative expenses decreased by HK\$3.8 million or 1.8%, from HK\$207.9 million for the financial year ended 31st March 2009 to HK\$204.1 million for FY2010. The decrease was mainly attributable to the stringent cost savings measures which had been introduced shortly after the beginning of the global financial crisis.

Finance costs decreased by HK\$8.2 million or 45.1%, from HK\$18.1 million for the financial year ended 31st March 2009 to HK\$9.9 million for FY2010. It was mainly due to lower bank interest rates as a result of reduced interest spread charged to us for FY2010.

Other operating income increased by HK\$8.3 million. It was mainly attributable to the exchange gain of HK\$9.4 million in this year whereas there was an exchange loss last year.

Financial Position

The increase in trade receivables by HK\$253.7 million, trust receipt loans by HK\$328.5 million and trade payables by HK\$250.4 million were due to the increase in sales and purchasing activities in the current financial period as compared to the financial year ended 31st March 2009. The debtors turnover increased from 1.5 months to 2.2 months.

Inventories increased from HK\$234.9 million as at 31st March 2009 to HK\$468.8 million as at 31st March 2010. Our inventory turnover increased from 1.4 months to 2.2 months over the same period.

The increase in other receivables and prepayments was mainly due to the deposit payment of HK\$11.7 million to a supplier for the purchase of inventories.

The decrease in bank borrowings was due to the repayment of bank loans of HK\$109.3 million during the year.

Cash Flow

As at 31st March 2010, the Group had a working capital of HK\$372.9 million, which included a cash balance of HK\$410.1 million, compared to a working capital of HK\$285.4 million, which included a cash balance of HK\$303.7 million at 31st March 2009. The increase in cash by HK\$106.4 million was principally attributable to the net effect of cash inflow of HK\$255.3 million from financing activities and cash outflows of HK\$136.9 million in operating activities and HK\$11.9 million in investing activities.

Cash inflow from financing activities was mainly attributable to increase in trust receipt loans due to increase of purchasing activities during the year.

Cash outflow in operating activities was mainly attributable to the increase in trade receivables and inventories to cope with the increasing sales 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 30th September 2009.

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 electronics market has shown signs of recovery in 2009 particularly China market which to a great extent was due to the stimulus program by the Chinese government. There are mixed signs as to whether the global economy is emerging from the financial crisis. Despite improvement in business conditions, volatility in raw material prices, foreign currency fluctuations and uncertainty in the continuation of the Chinese government's stimulus program would have an adverse impact on the economic recovery. Hence the recovery is expected to be uncertain and thus marked by intense price competition.

Barring unforeseeable circumstances, the Company is positive on the business outlook and will continue to be prudent in managing the operations while maintaining healthy liquidity position. We will continue to monitor the market situation and proactively look out for further opportunities in China.

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\$0.10152 per ordinary share (equivalent to S\$0.018)
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? None.

Name of Dividend :	Not applicable
Dividend Type :	Not applicable
Dividend Rate :	Not applicable
Par value of shares :	Not applicable
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 29th July 2010, will be payable on 18th August 2010.

(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 6th August 2010. 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 6th August 2010 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:

2010

	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	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>2,214,187</u>	<u>1,056,309</u>	<u>36,641</u>	<u>1,174</u>	<u>3,308,311</u>	<u>31,637</u>	<u>(713,332)</u>	<u>2,626,616</u>
Gross profit	<u>181,437</u>	<u>90,189</u>	<u>2,587</u>	<u>(10)</u>	<u>274,203</u>	<u>32,298</u>	<u>7,721</u>	<u>314,222</u>
Segment result	<u>38,487</u>	<u>44,618</u>	<u>(2,814)</u>	<u>(113)</u>	<u>80,178</u>	<u>2,499</u>	<u>--</u>	<u>82,677</u>
Release of exchange difference upon dissolution of overseas operations								2,263
Unallocated other revenue								2,740
Unallocated corporate expenses								(3,961)
Share of loss of jointly controlled entities								(198)
Profit before income tax								83,521
Income tax								(12,045)
Profit for the year								71,476
Minority interests								(950)
Profit attributable to shareholders								<u>70,526</u>

2009

	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			
Revenue								
Sales - outsiders	1,601,998	673,463	27,065	11,908	2,314,434	36,551	--	2,350,985
Sales - inter-company	215,932	224,022	1,117	7,033	448,104	19,704	(467,808)	--
Net sales	1,817,930	897,485	28,182	18,941	2,762,538	56,255	(467,808)	2,350,985
Cost of sales	1,684,337	837,904	24,754	17,093	2,564,088	28,193	(483,794)	2,108,487
Gross profit	133,593	59,581	3,428	1,848	198,450	28,062	15,986	242,498
Segment result before impairment loss	(3,261)	4,386	(1,610)	(409)	(894)	(7,392)	--	(8,286)
Impairment loss	--	--	--	--	--	(15,469)	--	(15,469)
Segment result	(3,261)	4,386	(1,610)	(409)	(894)	(22,861)	--	(23,755)
Unallocated other revenue								630
Unallocated corporate expenses								(2,191)
Share of loss of jointly controlled entities								(972)
Loss before income tax								(26,288)
Income tax								(649)
Loss for the year								(26,937)
Minority interests								7,280
Loss attributable to shareholders								(19,657)

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

		2010 HK\$'000	2009 HK\$'000	Increase/ (Decrease) %
(a)	Sales reported for first half year	1,328,099	1,413,155	(6.0)
(b)	Operating profit after tax before deducting minority interests reported for first half year	32,898	7,186	357.8
(c)	Sales reported for second half year	1,612,739	937,830	72.0
(d)	Operating profit after tax before deducting minority interests reported for second half year	38,578	(34,123)	213.1

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	31,471	0
Preference	0	0
Total:	31,471	0

BY ORDER OF THE BOARD

Leung Chun Wah
Chairman

26th May 2010