VALUETRONICS HOLDINGS LIMITED
(Incorporated in Bermuda)
(Co. Reg. No: 38813)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2011

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

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

Consolidated Income Statement for the year ended 31 March 2011

	The Group		
	Year ended 31 March		
	2011	2010	Change
	HK$'000	HK$'000	%
Revenue	1,970,434	1,136,124	73.4
Cost of sales	(1,660,742)	(958,785)	73.2
Gross profit	**309,692**	**177,339**	**74.6**
Other income	7,668	5,590	37.2
Selling and distribution costs	(68,803)	(42,426)	62.2
Administrative expenses	(110,297)	(63,864)	72.7
Other operating loss	-	(9,976)	-100.0
Profit from operations	**138,260**	**66,663**	**107.4**
Finance costs	(1,688)	(606)	178.5
Profit before tax	**136,572**	**66,057**	**106.7**
Income tax expense	(15,333)	(7,282)	110.6
Profit for the year	**121,239**	**58,775**	**106.3**
Attributable to:			
Owners of the Company	121,239	58,775	106.3

Consolidated Statement of Comprehensive Income for the year ended 31 March 2011

	The Group		
	Year ended 31 March		
	2011	2010	Change
	HK$'000	HK$'000	%
Profit for the year	**121,239**	**58,775**	106.3
Other comprehensive income:			
Exchange differences on translating foreign operations	4,047	57	7000.0
Fair value changes of available-for-sale financial assets	-	1,577	-100.0
Investment revaluation reserve reclassified to profit or loss on disposal of available-for-sale financial assets	484	-	N/A
Other comprehensive income for the year, net of tax	**4,531**	**1,634**	**177.3**
Total comprehensive income for the year	**125,770**	**60,409**	**108.2**
Total comprehensive income attributable to:			
Owners of the Company	**125,770**	**60,409**	**108.2**

Note:
The Group's profit before tax is arrived at after charging / (crediting):

	The Group	
	Year ended 31 March	
	2011	**2010**
	HK$'000	**HK$'000**
Depreciation (Note 1)	32,742	23,769
Amortisation of prepaid land lease payments and land use rights	468	384
Gain on disposals of property, plant and equipment	(946)	(318)
Allowance for receivables (Note 2)	-	9,976
Interest income (Note 3)	(379)	(825)
Interest expenses (Note 4)	654	1
Bank charges	1,034	605
Net realized exchange gains	(308)	(248)

Note 1: Higher depreciation in FY2011 was mainly due to higher depreciation effects for new property, plant and equipment during the year.

Note 2: The FY2010 allowance was mainly provided for a single customer who had experienced working capital distress since the economic turmoil started in 2008. No further allowance is required since 31 March 2010. Please refer to page 12 under "Other Operating Loss".

Note 3: Lower interest income mainly due to the early redemption of principal protected structured deposits and lower interest rates offered by the financial institutions during the year.

Note 4: Higher interest expense was mainly due to the trust receipt loans arrangements made during the year ended 31 March 2011.

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

Statements of Financial Position as at 31 March 2011

	The Group		The Company	
	At 31.3.2011	At 31.3.2010 (Restated)	At 31.3.2011	At 31.3.2010
	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets				
Prepaid land lease payments and land use rights	20,873	20,871	-	-
Property, plant and equipment	211,538	167,979	-	-
Goodwill	10	10	-	-
Investments in subsidiaries	-	-	83,330	83,330
Club membership, at cost	238	200	-	-
Long term receivables	-	920	-	-
	232,659	189,980	83,330	83,330
Current assets				
Available-for-sale financial assets	-	15,116	-	-
Inventories	213,033	129,882	-	-
Trade receivables	430,785	273,663	-	-
Prepaid land lease payments and land use rights	467	385	-	-
Prepayments, deposits and other receivables	18,020	17,771	259	34
Long term receivables – current portion	238	575	-	-
Due from subsidiaries	-	-	170,036	155,883
Bank and cash balances	136,185	139,909	255	291
	798,728	577,301	170,550	156,208
Total assets	1,031,387	767,281	253,880	239,538
Current liabilities				
Trade payables	302,400	229,773	-	-
Accruals, other payables and deposits received	164,248	133,607	244	313
Provisions	17,337	17,498	-	-
Bonus payable to directors	14,768	4,864	-	-
Current tax liabilities	14,906	8,263	-	-
Bank borrowings	38,015	-	-	-
Bank overdrafts	-	10	-	-
	551,674	394,015	244	313
Non-current liabilities				
Deferred tax liabilities	3,503	2,984	-	-
Total liabilities	555,177	396,999	244	313
	476,210	370,282	253,636	239,225
Equity attributable to owners of the Company				
Share capital	35,670	35,500	35,670	35,500
Treasury share	(778)	(1,853)	(778)	(1,853)
Reserves	441,318	336,635	218,744	205,578
Total equity	476,210	370,282	253,636	239,225

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 March 2011		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
38,015	Nil	10	Nil

Amount repayable after one year

As at 31 March 2011		As at 31 March 2010	
Secured	Unsecured	Secured	Unsecured
HK$'000	HK$'000	HK$'000	HK$'000
Nil	Nil	Nil	Nil

Details of any collateral

None

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

Consolidated Statement of Cash Flows for the year ended 31 March 2011

	The Group	
	Year ended 31 March	
	2011	2010
	HK$'000	HK$'000
Cash flows from operating activities		
Profit before tax	136,572	66,057
Adjustments for :		
Amortisation of prepaid land lease payments and land use rights	468	384
Equity-settled share-based payments	3,390	2,210
Depreciation	32,742	23,769
Gain on disposals of property, plant and equipment	(946)	(318)
Allowance for receivables	-	9,976
Interest expenses	654	1
Interest income	(379)	(825)
Cash settlement for the awards granted	(84)	-
Operating profit before working capital changes	**172,417**	**101,254**
Decrease in long term receivables	1,257	862
Increase in inventories	(83,151)	(62,808)
Increase in trade receivables	(157,122)	(180,760)
Increase in prepayments, deposits and other receivables	(249)	(7,787)
Increase in trade payables	72,627	152,552
Increase in accruals, other payables and deposits received	30,641	29,386
Decrease in provisions	(161)	(2,116)
Increase/(decrease) in bonus payable to directors	9,904	(1,047)
Cash generated from operations	**46,163**	**29,536**
Income tax paid	(8,171)	(430)
Interest paid	(654)	(1)
Net cash generated from operating activities	**37,338**	**29,105**
Cash flows from investing activities		
Purchase of property, plant and equipment	(72,859)	(28,010)
Purchase of available-for-sale financial assets	-	(11,625)
Proceeds from disposals of available-for-sale financial assets	15,500	11,625
Acquisition of a subsidiary	-	(10)
Proceeds from disposal of property, plant and equipment	998	334
Interest received	379	825
Net cash used in investing activities	**(55,982)**	**(26,861)**
Cash flows from financing activities		
Dividend paid	(24,654)	(15,828)
Net advance of bank and trust receipt loans	38,015	-
Proceeds from shares issued in exercise of share options	1,506	-
Net cash generated from / (used in) financing activities	**14,867**	**(15,828)**
Net decrease in cash and cash equivalents	**(3,777)**	**(13,584)**
Effect of foreign exchange rate changes	63	-
Cash and cash equivalents at beginning of the financial year	139,899	153,483
Cash and cash equivalents at end of the financial year	**136,185**	**139,899**

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.

Consolidated Statements of Changes in Equity

	Attributable to the owners of the Company											
			Reserves									
The Group	Share capital	Treasury shares	Share premi-um	Share-based payme-nt reserve	Translat-ion reserve	Statut-ory reserve (note 1)	Invest-ment revalu-ation reserve	Retained earnings	Total reserves	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 April 2010	35,500	(1,853)	85,591	2,458	10,541	383	(484)	238,146	336,635	370,282	-	370,282
Total comprehensive income for the year	-	-	-	-	4,047	-	484	121,239	125,770	125,770	-	125,770
Share-based payments	-	-	-	3,390	-	-	-	-	3,390	3,390	-	3,390
Transfer to statutory reserve	-	-	-	-	-	366	-	(366)	-	-	-	-
Award of treasury shares	-	1,075	-	(1,075)	-	-	-	-	(1,075)	-	-	-
Cash settlement for the awards granted	-	-	-	(84)	-	-	-	-	(84)	(84)	-	(84)
Issue of shares on exercise of share options	170	-	1,653	(317)	-	-	-	-	1,336	1,506	-	1,506
Lapsed of share-based payments	-	-	-	(806)	-	-	-	806	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(24,654)	(24,654)	(24,654)	-	(24,654)
Balance at 31 March 2011	**35,670**	**(778)**	**87,244**	**3,566**	**14,588**	**749**	**-**	**335,171**	**441,318**	**476,210**	**-**	**476,210**
Balance at 1 April 2009	35,500	(2,176)	85,591	571	10,484	242	(2,061)	195,353	290,180	323,504	(13)	323,491
Total comprehensive income for the year	-	-	-	-	57	-	1,577	58,775	60,409	60,409	-	60,409
Share-based payments	-	-	-	2,210	-	-	-	-	2,210	2,210	-	2,210
Award of treasury shares	-	323	-	(323)	-	-	-	-	(323)	-	-	-
Transfer	-	-	-	-	-	-	-	(13)	(13)	(13)	13	-
Transfer to statutory reserve	-	-	-	-	-	141	-	(141)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(15,828)	(15,828)	(15,828)	-	(15,828)
Balance at 31 March 2010	**35,500**	**(1,853)**	**85,591**	**2,458**	**10,541**	**383**	**(484)**	**238,146**	**336,635**	**370,282**	**-**	**370,282**

The Company	Share capital	Treasury shares	Reserves: Share premium	Reserves: Share-based payment reserve	Reserves: Contributed surplus	Reserves: Retained earnings	Reserves: Total reserves	Total
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Balance at 1 April 2010	35,500	(1,853)	85,591	2,458	67,239	50,290	205,578	239,225
Total comprehensive income for the year	-	-	-	-	-	34,253	34,253	34,253
Share-based payments	-	-	-	3,390	-	-	3,390	3,390
Award of treasury shares	-	1,075	-	(1,075)	-	-	(1,075)	-
Cash settlement for the awards granted	-	-	-	(84)	-	-	(84)	(84)
Issue of shares on exercise of share options	170	-	1,653	(317)	-	-	1,336	1,506
Lapsed of share-based payments	-	-	-	(806)	-	806	-	-
Dividend paid	-	-	-	-	-	(24,654)	(24,654)	(24,654)
Balance at 31 March 2011	**35,670**	**(778)**	**87,244**	**3,566**	**67,239**	**60,695**	**218,744**	**253,636**
Balance at 1 April 2009	35,500	(2,176)	85,591	571	67,239	29,231	182,632	215,956
Total comprehensive income for the year	-	-	-	-	-	36,887	36,887	36,887
Share-based payments	-	-	-	2,210	-	-	2,210	2,210
Award of treasury shares	-	323	-	(323)	-	-	(323)	-
Dividend paid	-	-	-	-	-	(15,828)	(15,828)	(15,828)
Balance at 31 March 2010	**35,500**	**(1,853)**	**85,591**	**2,458**	**67,239**	**50,290**	**205,578**	**239,225**

Note 1: In accordance with the relevant PRC regulations, the subsidiaries of the Group established in the PRC are required to transfer a certain percentage of the profit after tax, if any, to a statutory reserve. Subject to certain restrictions as set out in the relevant PRC regulations, the statutory reserve may be used to offset the accumulated losses, if any, of the subsidiaries.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, repurchase of shares, 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.

The Company issued and allotted 1,700,000 new ordinary shares (31 March 2010: Nil) since the end of the previous period reported on. As at 31 March 2011, the share capital (excluding treasury shares) of the Company comprises 356,700,000 shares (31 March 2010: 355,000,000 shares).

As at 31 March 2011, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2010	Additions	Share options exercised	Share options cancelled (Note 3)	Balance as at 31.3.2011
(a) Incentive Options	S$0.225	800,000	-	-	-	800,000
(Note 1)	S$0.175	900,000	-	(400,000)	(100,000)	400,000
(Note 1)	S$0.144	2,400,000	-	(1,200,000)	-	1,200,000
(Note 1)	S$0.105	2,750,000	-	-	-	2,750,000
(Note 1)	S$0.150	-	2,400,000	-	-	2,400,000
(Note 1)	S$0.160	-	1,150,000	-	-	1,150,000
(b) Market Options (Note 2)	S$0.215	1,000,000	-	(100,000)	(100,000)	800,000
(Note 2)	S$0.184	-	600,000	-	-	600,000
Total		7,850,000	4,150,000	(1,700,000)	(200,000)	10,100,000

As at 31 March 2010, the Company has the following outstanding share options:

Employee Share Option Scheme	Exercise Price	Balance as at 31.3.2009	Additions	Share options exercised	Share options cancelled (Note 3)	Balance as at 31.3.2011
(a) Incentive Options	S$0.225	800,000	-	-	-	800,000
(Note 1)	S$0.175	900,000	-	-	-	900,000
(Note 1)	S$0.144	2,400,000	-	-	-	2,400,000
(Note 1)	S$0.105	-	2,750,000	-	-	2,750,000
(b) Market Options (Note 2)	S$0.215	1,000,000	-	-	-	1,000,000
Total		5,100,000	2,750,000	-	-	7,850,000

As at 31 March 2011, 1,174,600 shares were held as treasury shares (31 March 2010: 2,797,000 shares). The difference of 1,622,400 being issue of shares under the Company's Performance Share Plan.

Notes:
(1) The Incentive Options were issued at a discount of not more than 20% to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the date of grant of the respective Options.
(2) The Market Options were issued at the market price which was equal to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding the date of grant of the respective Options.
(3) Cancelled due to resignation of staff.

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.

Issued Ordinary Shares	Number of Shares	
	As at 31.3.2011	As at 31.3.2010
Total number of issued shares	356,700,000	355,000,000
Total number of treasury shares	(1,174,600)	(2,797,000)
Total number of issued shares excluding treasury shares	**355,525,400**	**352,203,000**

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

	Number of Shares
Total number of treasury shares as at 31 March 2010	2,797,000
Number of treasury shares transferred under the Performance Share Plan	(1,622,400)
Total number of treasury shares as at 31 March 2011	1,174,600

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

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

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 as disclosed under note 5, the Group has adopted the same accounting policies and methods of computation for the current reporting period as those used in preparing the audited consolidated financial statements for the year ended 31 March 2010.

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.

In the current year, the Group and the Company have adopted all the new and revised International Financial Reporting Standards ("IFRSs") that are relevant to its operations and effective for its accounting year beginning on 1 April 2010. IFRSs comprise International Financial Reporting Standards; International Accounting Standards ("IAS"); and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current year and prior years except as stated below.

Classification of Land Leases

The adoption of the amendment to IAS 17 "Leases" has resulted in a change in accounting policy for the classification of leasehold land of the Group. Previously, leasehold land, which title is not expected to pass to the Group by the end of the lease term was classified as an operating lease and stated at cost less accumulated amortization. In accordance with the amendment, leasehold land is classified as a finance lease and stated at cost less accumulated depreciation if substantially all risks and rewards of the leasehold land have been transferred to the Group. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 April 2010 on the basis of information existing at

the inception of those leases, and recognized the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain prepaid land lease payments and land use rights from operating lease to finance leases. The amendment does not apply to the leasehold land disposed of by the Group in prior years.

Amendments to IAS 17 has been applied retrospectively and resulted in changes in the consolidated amounts reported in the financial statements as follows:

	The Group	
	As at 31 March	
	2011	2010
	HK$'000	HK$'000
Increase in property, plant and equipment	4,607	3,377
Decrease in prepaid land lease payments and land use rights	(4,607)	(3,377)

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.

	The Group	
	Year ended 31 March 2011	**Year ended 31 March 2010**
Earnings per ordinary share for the year based on the net profit for the year		
(a) Based on weighted average number of ordinary shares on issue; and	HK 34.2 cents	HK 16.7 cents
(b) On a fully diluted basis	N/A	N/A
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	353,984,300	352,007,055
Effect of potentially dilutive ordinary shares – Share options	N/A	N/A
Weighted average number of ordinary shares	353,984,300	352,007,055

Notes

The calculation of basic earnings per share for the year ended 31 March 2011 is based on profit attributable to owners of the Company of approximately HK$121.2 million (31 March 2010: HK$58.8 million) divided by the weighted average number of ordinary shares of 353,984,300 (31 March 2010: 352,007,055) in issue during the year.

There were no diluted earnings per share for both the years ended 31 March 2011 and 31 March 2010 as there were no dilutive shares for these years.

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.

	The Group		The Company	
	31.3.2011	**31.03.2010**	**31.3.2011**	**31.03.2010**
	HK cents	**HK cents**	**HK cents**	**HK cents**
Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the year:	133.9	105.1	71.3	67.9
Number of ordinary shares in issue excluding treasury shares	355,525,400	352,203,000	355,525,400	352,203,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) 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; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Valuetronics is an Electronic Manufacturing Service ("EMS") provider focusing on the design and development of products that meet the ever-changing needs of customers. We are the preferred choice of certain successful global companies for Original Equipment Manufacturing ("OEM") and Original Design Manufacturing ("ODM") services, with core competencies ranging from tool fabrication, injection moulding, metal stamping, machining, surface mount technology ("SMT") and finished product assembly on full turnkey basis. In 2010, Valuetronics has enhanced its existing business model and extended its value chain through its acquisitions of exclusive brand licensing agreements to use the "Whirlpool", "Maytag" and "Amana" brands, for a portfolio of home comfort appliances, which included portable air purifiers, portable electric fans and portable heaters in the North American market.

Review – Full year results ended 31 March 2011 ("FY2011") vs Full year results ended 31 March 2010 ("FY2010")

Revenue

Revenue increased by 73.4% or HK$834.3 million from HK$1,136.1 million in FY2010 to HK$1,970.4 million in FY2011. Such increase was mainly attributable to the significant growth from OEM and ODM major customers. Our Licensing business recorded HK$33.4 million sales in FY2011.

OEM revenue increased by 75.8% to HK$1,617.4 million (FY2010: HK$920.0 million) mainly contributed by the significant increase in demand from a number of major customers.

ODM revenue increased by 47.9% to HK$319.6 million (FY2010: HK$216.1 million), mainly attributable to additional sales orders and significant growth from our major customers.

Gross profit and gross profit margin

Gross profit increased by 74.6% to HK$309.7 million (FY2010: HK$177.3 million) and gross profit margin remained stable at 15.7% (FY2010: 15.6%). There was no significant change in gross profit margin as similar product mix was achieved during the year.

Other income

Other income recorded for FY2011 was mainly as a result of tooling income of HK$4.0 million (FY2010: HK$3.5 million), gain on disposals of plant and equipment of HK$1.0 million (FY2010: HK$0.3 million), net foreign exchange gains of HK$0.3 million (FY2010: HK$0.2 million), interest income of HK$0.4 million (FY2010: HK$0.8 million), income from insurance claim of HK$0.4 million (FY2010: Nil) and income from sales of scrap materials of HK$1.0 million (FY2010: HK$0.7 million).

Selling and distribution costs

Selling and distribution costs increased by 62.2% to HK$68.8 million (FY2010: HK$42.4 million). Such increase was driven mainly by the increase in salaries and allowances for our marketing staff as well as the increase in sales commissions payable to our sales representatives. The increase is in line with the overall increase in revenue and headcounts for both EMS and Licensing businesses.

Administrative expenses

Administrative expenses increased by 72.7% to HK$110.3 million (FY2010: HK$63.9 million), mainly contributed by the increase in salaries and bonus for our administrative and corporate employees as a result of business recovery during the year. The increase is consistent with the increase in headcount from FY2010 for both of the EMS and Licensing Businesses.

Other operating loss

The FY2010 other operating loss represented the allowance for receivables provided for a single customer who had experienced working capital distress since the economic turmoil started in 2008. No further allowance is required after 31 March 2010.

Profit before tax

As a result of the above, profit before tax increased by 106.7% to HK$136.6 million in FY2011 (FY2010: HK$66.1 million).

Financial position

The Group's available-for-sale financial assets represent the Citigroup's Senior Notes, which were fully redeemed at original cost during the year.

The Group's inventories increased by HK$83.1 million from HK$129.9 million as at 31 March 2010 to HK$213.0 million as at 31 March 2011. The increase was in line with the overall growth in customers' orders.

The Group's trade receivables increased by HK$157.1 million from HK$273.7 million as at 31 March 2010 to HK$430.8 million as at 31 March 2011. This is in line with the significant growth in sales from a number of major customers, who were granted longer credit terms.

The Group's trade payables increased from HK$229.8 million as at 31 March 2010 to HK$302.4 million as of 31 March 2011. The increase in trade payables resulted from the overall growth in purchase and to cope with the increase in sales orders and demand from customers during the year.

The Group's bank borrowings as at 31 March 2011 amounted to HK$38.0 million, arising from trust receipt loans for working capital purposes.

Statement of cash flows

Cash and cash equivalents held by the Group stood at HK$136.2 million as at 31 March 2011 (31 March 2010: HK$139.9 million). This was mainly contributed by the higher working capital requirements for the purpose of additional inventories, trade payables and trade receivables as well as the additions of property, plant and equipment to cope with increase in demands and orders during the year.

The Group currently places most of its cash as bank deposits with reputable financial institutions in Hong Kong.

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

Not applicable.

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.

In FY2011, the Group experienced strong demand from its major customers, driven by the significant increase in their sales orders and the launch of new products, as a result of an improved global economy since the global financial crisis which started in late 2008. While our growth in FY2011 was partially driven by such exceptional growth the sustained growth in our OEM and ODM businesses also contributed to the overall growth of the Group. The Group is expected to benefit from the launch of new products by customers and to continue to enjoy the growth momentum of its major OEM and ODM customers.

The Licensing business which was first launched with air purifier in April 2010 had contributed positively to the Group's revenue in FY2011. Upfront expenses such as staff cost, product and packaging design and product marketing had adversely affected the operating result of licensing business in FY2011. The Group has further secured the rights to manufacture, design and distribute two additional home comfort appliances (fans & heaters) in September 2010 and expects this enlarged product portfolio would continue to grow and contribute positively to its revenue and improve the marginal return of Licensing business in FY2012.

Despite the improved global economy, we will continue to face challenges in our operations such as inflation and increase in minimum wage in the PRC and fluctuations in foreign currencies in the current financial year. We will however, continue with our efforts in improving our fundamentals, which include our design and development capabilities, production efficiencies and inventory management. In addition, we will continue our efforts in business development to enrich our customer base and product portfolio so as to explore new business opportunities.

Barring unforeseen circumstances, the directors expect the Group to remain profitable.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	HK14.0 cents per ordinary share
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 and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	HK 7.0 cents per ordinary share
Tax Rate	Not applicable

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. 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.

(a) Business segments

Revenue	Year ended 31 March 2011	Year ended 31 March 2010
	HK$'000	HK$'000
ODM	319,556	216,116
OEM	1,617,457	920,008
Licensing	33,421	-
Total	1,970,434	1,136,124

Segment results	Year ended 31 March 2011	Year ended 31 March 2010
	HK$'000	HK$'000
ODM	35,506	14,483
OEM	235,862	134,988
Licensing	(11,403)	-
Total	259,965	149,471

(b) Geographical segments

Revenue of geographical segments of principal markets are analyzed by shipment destination.

	Year ended 31 March 2011	Year ended 31 March 2010
	HK$'000	HK$'000
North and Central America	912,292	537,857
Greater China	496,138	287,942
Europe	460,309	279,302
Asia Pacific	89,124	24,782
Australia	12,571	6,241
Total	1,970,434	1,136,124

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

Please refer to item 8 above.

15. A breakdown of sales.

	Year ended 31 March 2011 HK$'000	Year ended 31 March 2010 HK$'000	Increase %
	Group	Group	Group
(a) Sales reported for first half year	914,025	537,524	70.0%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	61,578	23,261	164.7%
(c) Sales reported for second half year	1,056,409	598,600	76.5%
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	59,661	35,514	68.0%

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

	Year ended 31 March 2011	Year ended 31 March 2010
	HK$'000	HK$'000
Ordinary	49,774	24,654
Preference	N/A	N/A
Total:	49,774	24,654

17. Interested Person Transactions ("IPTs")

Not applicable

BY ORDER OF THE BOARD

TSE Chong Hing

Chairman and Managing Director
24 May 2011