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WILLAS-ARRAY
WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED
威雅利電子(集團)有限公司
(Incorporated in Bermuda with limited liability)
(Hong Kong stock code: 854)
(Singapore stock code: BDR)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED MARCH 31, 2016**

FINANCIAL HIGHLIGHTS

	For the year ended March 31,		Change %
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	
Revenue	3,642,246	3,391,997	+7.4
Gross profit	319,640	309,665	+3.2
(Loss) profit before tax	(57,951)	42,352	-236.8
(Loss) profit attributable to shareholders	(71,605)	31,957	-324.1
Basic (loss) earnings per share (<i>HK cents</i>)	(94.90)	(Restated) 42.52	-323.2

AUDITED FINANCIAL RESULTS

The board of directors (the “Board”) of Willas-Array Electronics (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “Group”) for the year ended March 31, 2016, together with the comparative figures for the year ended March 31, 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2016

	NOTES	2016 HK\$'000	2015 HK\$'000	Change %
Revenue	3	3,642,246	3,391,997	+7.4
Cost of sales		<u>(3,322,606)</u>	<u>(3,082,332)</u>	+7.8
Gross profit		319,640	309,665	+3.2
Other operating income		2,911	3,490	-16.6
Distribution costs		(47,024)	(45,267)	+3.9
Administrative expenses		(200,826)	(206,186)	-2.6
Share of loss of associates		(38,273)	(6,486)	+490.1
Impairment loss recognised in respect of interests in associates		(70,080)	–	NM
Other gains and losses		(5,676)	(1,164)	+387.6
Amortisation of financial guarantee liabilities		2,256	5,237	-56.9
Finance costs		<u>(20,879)</u>	<u>(16,937)</u>	+23.3
(Loss) profit before tax		(57,951)	42,352	-236.8
Income tax expenses	4	<u>(12,093)</u>	<u>(12,137)</u>	-0.4
(Loss) profit for the year	5	<u>(70,044)</u>	<u>30,215</u>	-331.8
Other comprehensive (expense) income:				
<i>Items that will not be reclassified to profit or loss:</i>				
– Gain on revaluation of properties		–	121,314	NM
– Income tax relating to gains recognized in other comprehensive income		–	(24,695)	NM
		–	96,619	NM
<i>Items that may be reclassified subsequently to profit or loss:</i>				
– Exchange differences on translation of overseas operations		(11,603)	(278)	NM
– Release of exchange differences upon dissolution of overseas operations		(51)	280	-118.2
		<u>(11,654)</u>	<u>2</u>	NM
Other comprehensive (expense) income for the year, net of tax		<u>(11,654)</u>	<u>96,621</u>	-112.1
Total comprehensive (expense) income for the year		<u><u>(81,698)</u></u>	<u><u>126,836</u></u>	-164.4

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME – continued**

For the year ended March 31, 2016

	<i>NOTE</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	Change <i>%</i>
(Loss) profit attributable to:				
Owners of the Company		(71,605)	31,957	-324.1
Non-controlling interests		1,561	(1,742)	+189.6
		<u>(70,044)</u>	<u>30,215</u>	-331.8
Total comprehensive (expense) income attributable to:				
Owners of the Company		(83,239)	128,578	-164.7
Non-controlling interests		1,541	(1,742)	+188.5
		<u>(81,698)</u>	<u>126,836</u>	-164.4
			(Restated)	
(Loss) earnings per share	13			
– Basic (HK cents)		<u>(94.90)</u>	<u>42.52</u>	-323.2
– Diluted (HK cents)		<u>(94.90)</u>	<u>42.09</u>	-325.5

NM: Not meaningful

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2016

		2016	2015
	NOTES	HK\$'000	HK\$'000
ASSETS			
Current assets			
Cash and cash equivalents		482,601	305,955
Restricted bank deposits		2,395	2,516
Trade and bills receivables	6	580,895	573,421
Other receivables and prepayment – current		6,266	8,678
Prepaid lease payments – current		12	12
Derivative financial instruments		–	20
Income tax recoverable		2,380	452
Inventories		535,547	515,274
Total current assets		1,610,096	1,406,328
Non-current assets			
Prepaid lease payments – non-current		581	594
Property, plant and equipment	8	251,867	272,711
Long-term deposits		1,697	1,125
Available-for-sale investments		2,001	2,001
Interests in associates		–	82,498
Deferred tax assets		385	413
Total non-current assets		256,531	359,342
Total assets		1,866,627	1,765,670

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – continued
As at March 31, 2016

	<i>NOTES</i>	2016 HK\$'000	2015 <i>HK\$'000</i>
LIABILITIES AND EQUITY			
Current liabilities			
Trust receipt loans		589,485	506,466
Trade and bills payables	9	366,062	347,440
Other payables		79,525	36,544
Income tax payable		3,608	1,436
Derivative financial instruments		14	92
Financial guarantee liabilities		–	730
Bank borrowings		250,768	189,610
		<hr/>	<hr/>
Total current liabilities		1,289,462	1,082,318
		<hr/>	<hr/>
Non-current liabilities			
Deferred tax liabilities		24,952	25,774
		<hr/>	<hr/>
Capital, reserves and non-controlling interests			
Issued capital	10	75,506	75,349
Capital reserves		194,378	194,343
Other reserves		285,377	392,475
		<hr/>	<hr/>
Equity attributable to owners of the Company		555,261	662,167
Non-controlling interests		(3,048)	(4,589)
		<hr/>	<hr/>
Total equity		552,213	657,578
		<hr/>	<hr/>
Total liabilities and equity		1,866,627	1,765,670
		<hr/> <hr/>	<hr/> <hr/>
Net current assets		320,634	324,010
		<hr/> <hr/>	<hr/> <hr/>
Total assets less current liabilities		577,165	683,352
		<hr/> <hr/>	<hr/> <hr/>

STATEMENT OF FINANCIAL POSITION – COMPANY LEVEL

As at March 31, 2016

	<i>NOTE</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
ASSETS			
Current assets			
Cash and cash equivalents		3,063	3,367
Other receivables and prepayment – current		193,899	159,057
Income tax recoverable		166	–
Total current assets		197,128	162,424
Non-current assets			
Other receivables – non-current		–	49,000
Investments in subsidiaries		117,470	117,470
Interests in associates		–	7,490
Total non-current assets		117,470	173,960
Total assets		314,598	336,384
LIABILITIES AND EQUITY			
Current liabilities			
Other payables		10,184	10,270
Income tax payable		–	109
Financial guarantee liabilities		–	730
Total current liabilities		10,184	11,109
Equity attributable to owners of the Company			
Issued capital	10	75,506	75,349
Capital reserves		194,378	194,343
Other reserves		34,530	55,583
Total equity		304,414	325,275
Total liabilities and equity		314,598	336,384
Net current assets		186,944	151,315
Total assets less current liabilities		304,414	325,275

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2016

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Operating activities		
(Loss) profit before tax	(57,951)	42,352
Adjustments for:		
Depreciation expense	14,499	11,562
Amortisation of prepaid lease payments	13	13
Interest expense	20,879	16,937
Allowance for inventories	10,333	4,916
Reversal of allowance for doubtful trade receivables	(8,537)	(3,200)
Gain on disposal of property, plant and equipment	(12)	(355)
Net gain on fair value changes of derivative financial instruments	(58)	(196)
Share of loss of associates	38,273	6,486
Impairment loss recognised in respect of interests in associates	70,080	–
Amortisation of financial guarantee liabilities	(2,256)	(5,237)
Interest income	(809)	(863)
Release of exchange differences upon dissolution of overseas operation	(51)	280
Operating cash flows before movements in working capital	84,403	72,695
(Increase) decrease in trade and bills receivables	(8,827)	30,755
Decrease (increase) in other receivables and prepayment	2,356	(1,703)
Increase in inventories	(33,140)	(81,016)
Increase in trade and bills payables	20,182	7,998
Increase (decrease) in other payables	896	(5,155)
Increase in long-term deposits	(581)	(697)
Cash generated from operations	65,289	22,877
Income tax paid	(11,975)	(16,406)
Interest paid	(20,669)	(15,850)
Interest received	809	863
Net cash generated from (used in) operating activities	33,454	(8,516)

CONSOLIDATED STATEMENT OF CASH FLOWS – continued*For the year ended March 31, 2016*

	2016 HK\$'000	2015 <i>HK\$'000</i>
Investing activities		
Purchase of property, plant and equipment	(2,425)	(6,396)
Withdrawal of restricted bank deposits	5,029	7,296
Placement of restricted bank deposits	(4,908)	(2,516)
Proceeds from disposal of property, plant and equipment	13	909
Capital injection to associates	(24,500)	(24,500)
	<hr/>	<hr/>
Net cash used in investing activities	(26,791)	(25,207)
	<hr/>	<hr/>
Financing activities		
Dividend paid to shareholders	(23,962)	(25,702)
Proceeds from exercise of share options	295	1,675
Advance from associates	42,414	–
Repayment of trust receipt loans	(2,044,266)	(1,920,330)
Proceeds from trust receipt loans	2,127,285	1,985,991
Repayment of bank borrowings	(445,807)	(190,838)
Proceeds from bank borrowings	507,254	268,443
	<hr/>	<hr/>
Net cash from financing activities	163,213	119,239
	<hr/>	<hr/>
Net increase in cash and cash equivalents	169,876	85,516
Cash and cash equivalents at beginning of the year	305,955	218,977
Effects of exchange rate changes on the balance of cash held in foreign currencies	6,770	1,462
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	482,601	305,955
	<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2016

	Issued capital	Capital reserves	Statutory reserve	Revaluation reserve	Currency translation reserve	Accumulated profits	Attributable to owners of the Company	Non- controlling interests	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(Note)</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at April 1, 2014	74,544	195,716	16,480	–	20,756	250,120	557,616	(2,847)	554,769
Total comprehensive income for the year:									
Profit for the year	–	–	–	–	–	31,957	31,957	(1,742)	30,215
Other comprehensive income for the year, net of income tax	–	–	–	96,619	2	–	96,621	–	96,621
Total	–	–	–	96,619	2	31,957	128,578	(1,742)	126,836
Transactions with owners, recognised directly in equity:									
Exercise of share options	805	870	–	–	–	–	1,675	–	1,675
Share options cancelled/lapsed	–	(2,243)	–	–	–	2,243	–	–	–
Dividend paid (Note 12)	–	–	–	–	–	(25,702)	(25,702)	–	(25,702)
Transfer to statutory reserve	–	–	45	–	–	(45)	–	–	–
Total	805	(1,373)	45	–	–	(23,504)	(24,027)	–	(24,027)
Balance at March 31, 2015	75,349	194,343	16,525	96,619	20,758	258,573	662,167	(4,589)	657,578
Total comprehensive (expense) income for the year:									
Loss for the year	–	–	–	–	–	(71,605)	(71,605)	1,561	(70,044)
Other comprehensive expense for the year, net of income tax	–	–	–	–	(11,634)	–	(11,634)	(20)	(11,654)
Total	–	–	–	–	(11,634)	(71,605)	(83,239)	1,541	(81,698)
Transactions with owners, recognised directly in equity:									
Exercise of share options	157	138	–	–	–	–	295	–	295
Share options cancelled	–	(103)	–	–	–	103	–	–	–
Dividend paid (Note 12)	–	–	–	–	–	(23,962)	(23,962)	–	(23,962)
Transfer from revaluation reserve	–	–	–	(3,348)	–	3,348	–	–	–
Total	157	35	–	(3,348)	–	(20,511)	(23,667)	–	(23,667)
Balance at March 31, 2016	75,506	194,378	16,525	93,271	9,124	166,457	555,261	(3,048)	552,213

Note: The statutory reserve is non-distributable and was appropriated from the profit after tax of the Company's subsidiaries in the People's Republic of China (the "PRC") and Taiwan under the laws and regulations of the PRC and Taiwan.

STATEMENT OF CHANGES IN EQUITY – COMPANY LEVEL

For the year ended March 31, 2016

	<u>Issued capital</u>	<u>Capital reserves</u>	<u>Accumulated profits</u>	<u>Total</u>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at April 1, 2014	74,544	195,716	39,858	310,118
Profit for the year, representing total comprehensive income for the year	–	–	39,184	39,184
Transactions with owners, recognised directly in equity:				
Exercise of share options	805	870	–	1,675
Share options cancelled/lapsed	–	(2,243)	2,243	–
Dividend paid (<i>Note 12</i>)	–	–	(25,702)	(25,702)
Total	805	(1,373)	(23,459)	(24,027)
Balance at March 31, 2015	75,349	194,343	55,583	325,275
Profit for the year, representing total comprehensive income for the year	–	–	2,806	2,806
Transactions with owners, recognised directly in equity:				
Exercise of share options	157	138	–	295
Share options cancelled	–	(103)	103	–
Dividend paid (<i>Note 12</i>)	–	–	(23,962)	(23,962)
Total	157	35	(23,859)	(23,667)
Balance at March 31, 2016	<u>75,506</u>	<u>194,378</u>	<u>34,530</u>	<u>304,414</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2016

1. BASIS OF PREPARATION

The Company is incorporated in Bermuda on August 3, 2000 as an exempted company with limited liability under the Companies Act 1981 of Bermuda with its registered office at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. Its principal place of business is at 24/F, Wyler Centre Phase 2, 200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong. The ordinary shares of the Company are listed on the Main Board of Singapore Exchange Securities Trading Limited and the Main Board of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange"). The consolidated financial statements are presented in Hong Kong dollars which is also the functional currency of the Company.

The principal activity of the Company is investment holding and the Group is engaged in the trading of electronic components.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Application of International Financial Reporting Standards

In the current financial year, the Group has adopted a number of new and revised International Accounting Standards ("IAS"), International Financial Reporting Standards ("IFRS") and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") and Interpretations thereof issued by the International Financial Reporting Interpretations Committee of the IASB (collectively refer to as the "IFRSs") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2015. These IFRSs are:

- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*
- Amendments to IFRSs *Annual Improvements to HKFRSs 2010 – 2012 Cycle*
- Amendments to IFRSs *Annual Improvements to HKFRSs 2011 – 2013 Cycle*

The adoption of these new and revised IFRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

3. SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker ("CODM") for the purposes of resource allocation and assessment of segment performance are principally categorised into two key operating segments, (i) trading of electronic components and (ii) trading and designing integrated circuits, in which for trading of electronic components segment, it will further be disaggregated by geographical locations for CODM's review.

The Group's reportable segments are as follows:

- (i) Trading of electronic components
 - Southern China Region;
 - Northern China Region;
 - Taiwan
- (ii) Trading and designing integrated circuits

3. SEGMENT INFORMATION – continued
For the year ended March 31, 2016

	Trading of electronic components				Trading and designing integrated circuits	Elimination	Total
	Southern China Region HK\$'000	Northern China Region HK\$'000	Taiwan HK\$'000	Sub-total HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue							
Sales – external	1,978,264	1,587,369	69,993	3,635,626	6,620	–	3,642,246
Sales – inter-company	348,441	282,472	2,189	633,102	13,735	(646,837)	–
Net sales	2,326,705	1,869,841	72,182	4,268,728	20,355	(646,837)	3,642,246
Cost of sales	2,159,519	1,737,334	63,193	3,960,046	9,575	(647,015)	3,322,606
Gross profit	167,186	132,507	8,989	308,682	10,780	178	319,640
Segment result	29,544	16,646	(61)	46,129	3,685	178	49,992
Unallocated other revenue							921
Amortisation of financial guarantee liabilities							2,256
Unallocated corporate expenses							(2,767)
Share of loss of associates							(38,273)
Impairment loss recognised in respect of interests in associates							(70,080)
Loss before tax							(57,951)
Income tax expenses							(12,093)
Loss for the year							(70,044)
Non-controlling interests							(1,561)
Loss attributable to owners of the Company							(71,605)

3. SEGMENT INFORMATION – continued

For the year ended March 31, 2015

	Trading of electronic components				Trading and designing integrated circuits	Elimination	Total
	Southern China Region HK\$'000	Northern China Region HK\$'000	Taiwan HK\$'000	Sub-total HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue							
Sales – external	1,938,927	1,352,894	94,921	3,386,742	5,255	–	3,391,997
Sales – inter-company	361,883	236,258	7,232	605,373	19,540	(624,913)	–
Net sales	2,300,810	1,589,152	102,153	3,992,115	24,795	(624,913)	3,391,997
Cost of sales	2,126,516	1,474,000	90,191	3,690,707	15,824	(624,199)	3,082,332
Gross profit	<u>174,294</u>	<u>115,152</u>	<u>11,962</u>	<u>301,408</u>	<u>8,971</u>	<u>(714)</u>	<u>309,665</u>
Segment result	<u>33,249</u>	<u>16,000</u>	<u>2,400</u>	<u>51,649</u>	<u>(3,640)</u>	<u>(714)</u>	47,295
Unallocated other revenue							912
Amortisation of financial guarantee liabilities							5,237
Unallocated corporate expenses							(4,606)
Share of loss of associates							(6,486)
Profit before tax							42,352
Income tax expenses							(12,137)
Profit for the year							30,215
Non-controlling interests							1,742
Profit attributable to owners of the Company							<u>31,957</u>

Segment (loss) profit represents the profit earned by or loss from each segment without allocation of central administrative expenses, other revenue, amortisation of financial guarantee liabilities, share of loss of associates and impairment loss recognised in respect of interests in associates. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM is of the opinion that the presentation of assets and liabilities in accordance with the reportable segments is not meaningful as the management can monitor the Group's assets and liabilities in one pool which is more efficient and effective.

4. INCOME TAX EXPENSES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
The income tax charge comprises:		
Current Tax:		
– Hong Kong	10,401	9,532
– PRC Enterprise Income Tax	756	803
– Other jurisdictions	278	697
– Taiwan withholding tax on dividends distributed by subsidiaries	650	2,692
	<u>12,085</u>	<u>13,724</u>
Under (over)provision in prior year:		
– Hong Kong	(142)	(138)
– PRC Enterprise Income Tax	282	289
– Other jurisdictions	13	48
	<u>153</u>	<u>199</u>
Deferred tax:		
– Current year	(145)	(1,786)
	<u>12,093</u>	<u>12,137</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT law, the tax rate of the PRC subsidiaries is 25%. The tax rate of the Taiwan subsidiary is 17%. Income taxes for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

5. (LOSS) PROFIT FOR THE YEAR

(Loss) profit for the year has been arrived at or after charging (crediting):

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Directors' fees:		
Directors of the Company	1,001	1,112
Directors of the subsidiaries	6	6
Directors' remuneration: <i>(Note)</i>		
Directors of the Company	10,378	10,189
Directors of the subsidiaries	266	353
Audit fees paid to auditors		
Auditor of the Company	2,371	2,290
Other auditors	179	215
Non-audit fees paid to auditors		
Auditor of the Company	531	546
Other auditors	–	–
Staff costs (excluding directors' remuneration) <i>(Note)</i>	133,688	136,131
Amortisation of prepaid lease payments	13	13
Cost of inventories recognised as expenses	3,322,606	3,082,332
Depreciation of property, plant and equipment	14,499	11,562
Gain on disposal of property, plant and equipment	(12)	(355)
Net foreign exchange loss	14,283	4,915
Net gain on fair value changes of derivative financial instruments	(58)	(196)
Reversal of allowance for doubtful trade receivables	(8,537)	(3,200)
Interest income from bank deposits	(809)	(863)
Allowance for inventories	10,333	4,916
	<u>10,333</u>	<u>4,916</u>

Note: During the year ended March 31, 2016 and 2015, there are costs of defined contribution plans amounting to approximately HK\$17,112,000 and HK\$16,680,000 respectively, included in staff costs and directors' remuneration.

6. TRADE AND BILLS RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	577,281	577,017
Less: allowance for doubtful debts	(16,387)	(26,727)
	<u>577,281</u>	<u>577,017</u>
Net trade receivables	560,894	550,290
Bills receivables	20,001	23,131
	<u>20,001</u>	<u>23,131</u>
	<u>580,895</u>	<u>573,421</u>

Bills receivables represent bank drafts received from customers that are non-interest bearing and due within one year.

6. TRADE AND BILLS RECEIVABLES – continued

The average credit period on sales of goods is 60 days (2015: 60 days). The following is an aging analysis of trade receivables net of allowance for doubtful debts, presented based on the invoice date, at the end of the reporting period.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Less than 60 days	407,633	391,291
61 to 90 days	105,474	111,096
Over 90 days	47,787	47,903
	560,894	550,290

The aging analysis of bills receivables presented based on the issue date at the respective reporting dates:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Less than 60 days	16,969	18,892
61 to 180 days	3,032	4,239
	20,001	23,131

7. TRANSFER OF FINANCIAL ASSETS

As at March 31, 2016, trade receivables amounted to approximately HK\$60,960,000 (2015: HK\$25,762,000) were transferred to banks by discounting those receivables on a full recourse basis. As the Group has not transferred the significant risks and rewards relating to these receivables, it continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing amounted to approximately HK\$48,768,000 (2015: HK\$20,610,000). These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

8. PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent approximately HK\$2,425,000 (2015: HK\$6,396,000) on the acquisition of property, plant and equipment. In addition, the Group disposed of certain property, plant and equipment with a carrying amount of approximately HK\$1,000 (2015: HK\$554,000), resulting in a gain of approximately HK\$12,000 (2015: HK\$355,000).

9. TRADE AND BILLS PAYABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables	356,476	326,650
Bills payables	9,586	20,790
	366,062	347,440

Bills payables of the Group are aged within 30 days (2015: 60 days).

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Less than 30 days	266,381	298,703
31 to 60 days	88,393	27,871
Over 60 days	1,702	76
	356,476	326,650

10. SHARE CAPITAL

	Number of shares '000	Share capital <i>HK\$'000</i>
Authorised		
At April 1, 2014 and April 1, 2015		
– Ordinary shares of HK\$0.2 each	600,000	120,000
Share consolidation (<i>Note</i>)	(480,000)	–
	120,000	120,000
At March 31, 2016		
– Ordinary shares of HK\$1.0 each	120,000	120,000
Issued and paid up		
At April 1, 2014		
– Ordinary shares of HK\$0.2 each	372,720	74,544
Exercise of share options	4,025	805
	376,745	75,349
At April 1, 2015		
– Ordinary shares of HK\$0.2 each	376,745	75,349
Exercise of share options	785	157
Share consolidation (<i>Note</i>)	(302,024)	–
	75,506	75,506
At March 31, 2016		
– Ordinary shares of HK\$1.0 each	75,506	75,506

10. SHARE CAPITAL – continued

The Company has no treasury shares.

Note: Pursuant to the resolution passed at the annual general meeting of the Company held on July 30, 2015, the consolidation of every five (5) issued and unissued ordinary shares of par value HK\$0.20 each in the capital of the Company then into one (1) consolidated ordinary share of par value HK\$1.00 each in the capital of the Company became effective on August 17, 2015.

11. SHARE-BASED PAYMENTS

The Company had adopted the Willas-Array Electronics Employee Share Option Scheme II and the Willas-Array Electronics Employee Share Option Scheme III to grant share options to eligible employees, including the executive directors of the Company and its subsidiaries.

The table below discloses movement of the Company's share options:

	Number of share options
Unexercised options for ordinary shares at April 1, 2014	18,532,800
Exercised during the year	(4,024,800)
Lapsed during the year	(8,580,000)
Cancelled during the year	(960,000)
	<hr/>
Unexercised options for ordinary shares at April 1, 2015	4,968,000
Exercised during the year	(785,000)
Consolidated during the year (<i>Note</i>)	(3,346,400)
	<hr/>
Unexercised options for ordinary shares at March 31, 2016	<u><u>836,600</u></u>

During the year ended March 31, 2016, share options holders exercised part of their share options and acquired 785,000 shares of HK\$0.20 each of the Company at an exercise price of S\$0.067 per share on August 4, 2015. The closing price of the Company's shares immediately before the date on which the options were exercised was S\$0.180.

Fair values of the share options were calculated using The Black-Scholes option pricing model.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share option reserve.

Note: Upon the share consolidation became effective on August 17, 2015, the exercise price and the number of underlying shares comprised in the outstanding options granted under the Employee Share Option Scheme II of the Company have been adjusted.

12. DIVIDEND

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Dividend recognised as distribution during the year:		
2014 – Final HK6.822 cents per share of HK\$0.20 each	–	25,702
2015 – Final HK6.347 cents per share of HK\$0.20 each	23,962	–
	23,962	25,702

On August 26, 2015, a one-tier tax exempt dividend of HK6.347 cents per share (total dividend of approximately HK\$23,962,000) was paid to shareholders in respect of the financial year ended March 31, 2015.

The Board does not recommend the payment of a final dividend for the year ended March 31, 2016.

13. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following:

	Group Figures			
	2016		2015	
	Basic <i>HK\$'000</i>	Diluted <i>HK\$'000</i>	Basic <i>HK\$'000</i>	Diluted <i>HK\$'000</i>
(Loss) profit attributable to shareholders	(71,605)	(71,605)	31,957	31,957
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares	75,451,911	75,451,911	75,164,222	75,164,222
Adjustment for potential dilutive ordinary shares	–	N/A	–	755,664
Weighted average number of ordinary shares used to compute earnings per share	75,451,911	75,451,911	75,164,222	75,919,886
(Loss) earnings per share	(94.90) (HK cents)	(94.90) (HK cents)	42.52(HK cents)	42.09(HK cents)

The computation of diluted loss per share for the year ended March 31, 2016 does not assume the conversion of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

Weighted average number of ordinary shares, potential dilutive ordinary shares, basic and diluted (loss) earnings per share were stated after taking into account the effect of the share consolidation that took place on August 17, 2015. Comparative figures have also been restated on the assumption that the share consolidation had been effective in prior year.

14. NET ASSET VALUE

The net asset value per ordinary share of the Group and Company is shown below:

	Group Figures		Company Figures	
	2016	2015 (Restated)	2016	2015 (Restated)
Net asset value per ordinary share based on issued share capital of the Company at the end of the year	<u>735.39 (HK cents)</u>	<u>878.80 (HK cents)</u>	<u>403.17 (HK cents)</u>	<u>431.69 (HK cents)</u>

The net asset backing per ordinary share as at March 31, 2016 is based on the issued share capital of 75,505,960 ordinary shares (2015: 75,348,960 (restated)).

Note: The number of ordinary shares in issue and net asset value per ordinary share were stated after taking into account the effect of the share consolidation that took place on August 17, 2015. Comparative figures have also been restated on the assumption that the share consolidation had been effective at prior year end.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Revenue

The Group's sales revenue had increased by 7.4% from HK\$3,392.0 million for the year ended March 31, 2015 ("FY2015") to HK\$3,642.2 million for the year ended March 31, 2016 ("FY2016").

Turnover by Market Segment Analysis

(in HK\$'000)

	FY2016		FY2015		Increase (Decrease)	
		%		%		%
Telecommunications	959,746	26.3%	650,794	19.2%	308,952	47.5%
Industrial	771,287	21.2%	770,067	22.7%	1,220	0.2%
Dealer	470,369	12.9%	495,653	14.6%	(25,284)	-5.1%
Home Appliance	437,693	12.0%	463,904	13.6%	(26,211)	-5.7%
Automotive	327,447	9.0%	268,436	7.9%	59,011	22.0%
Audio and Video	251,275	6.9%	253,211	7.5%	(1,936)	-0.8%
EMS	189,177	5.2%	236,316	7.0%	(47,139)	-19.9%
Lighting	123,220	3.4%	132,091	3.9%	(8,871)	-6.7%
Others	112,032	3.1%	121,525	3.6%	(9,493)	-7.8%
	3,642,246	100.0%	3,391,997	100.0%	250,249	7.4%

In FY2016, we registered a year-on-year increase of 7.4% in revenue to HK\$3,642.2 million. The improvement in revenue was mainly driven by an improvement in the sales achieved by our telecommunication and automotive segments, which benefitted from the rapidly expanding market share of China's domestic brand manufacturers. The Group's long-time strategy to invest and focus on building our network and coverage of the China market had given us the ability to take advantage of the rising dominance of China branded products.

Telecommunications

The telecommunications segment is our largest revenue contributor. In FY2016, this segment achieved a 47.5% surge in revenue to HK\$959.7 million compared to FY2015. In 2015, the launch of the 4G network in China had driven the demand for smartphones exponentially and this momentum continued in 2016. Our focus on China's domestic brand manufacturers coupled with our value added services to our suppliers had enabled us to benefit from the market share expansion of these Chinese smartphone makers. Although the outlook for the 2016 smartphone market appears very competitive and challenging, we believe we are well positioned to achieve healthy sales revenue.

Industrial

Year-on-year revenue growth from this segment was flat at HK\$771.3 million. Due to the soft demand from both export and domestic markets, the performance of this segment was not good in the beginning of FY2016 but this was partially offset by an improvement in the market situation in the second half of FY2016 and the increase in demand for inverter type application. The segment's stable demand for componentry presents opportunities for us to drive sales through offering value added services to our customers. The new potential is the Industry 4.0, in which we will well equip our engineering resources to tackle the opportunities.

Dealer

In FY2016, this segment was impacted by unfavourable market conditions and intense price erosion and revenue decreased 5.1% year-on-year to HK\$470.4 million. In addition, the weak economic condition limited the borrowing power of our customers, who were reluctant to stock up on inventory. To mitigate the situation, the Group tried its best to secure our share, and at the same time carefully monitor our inventory levels and the credit position of our customers.

Home Appliance

Revenue from this segment was HK\$437.7 million, a drop of 5.7% as compared to last year. This segment was also impacted by weak export and domestic demand. Although the China government's easing of the real estate sector in the second half of FY2016 did help to improve domestic demand for home appliances, it was not enough to boost revenue to FY2015 level. Although the current situation is not very good, we believe the long-term prospects of this segment and the strong customer base make it viable for us to continue our investment in engineering resources and to source more good suppliers to expand our market share in this segment.

Automotive

Revenue from this segment was HK\$327.4 million, a strong year-on-year increase of 22.0%. The automotive market had a strong rebound in the second half of FY2016 after the China government launched a new stimulation policy in September 2015. It helped the car makers, dealers and the supply chain to improve sales and clear some excessive inventory. The market became healthier and back on track for stable growth.

Audio and Video

This segment registered a marginal year-on-year decline of 0.8% in revenue to HK\$251.3 million in FY2016. This segment, which mainly covers traditional audio equipment, is rapidly being replaced by mobile devices thus leading to a continuing decline in demand. Although we developed some new solutions for high-end portable audio and bluetooth speakers, it could only partially offset the falling sales of traditional audio products. Moving forward, we will vigilantly monitor the volatility of the consumer electronics market, and also efficiently allocate resources to support customers' development, track their forecast as well as manage our inventory levels carefully.

EMS

Revenue from this segment fell 19.9% year-on-year to HK\$189.2 million in FY2016. The market continued to be plagued by over capacity which led to price erosion and severe competition among EMS customers and made it difficult for them to survive. With the current market sentiment and slow economic growth situation, the road to recovery for this segment would be a long way.

Lighting

Revenue from this segment declined 6.7% year-on-year to HK\$123.2 million in FY2016. This segment also faces oversupply and price erosion. Despite the slowdown, the segment shows potential in certain areas, such as the expanding LED lamp coverage in consumer application. As such, we will try to keep adequate engineering service in this segment to maintain our market share.

Others

Revenue from this segment fell 7.8% year-on-year to HK\$112.0 million in FY2016. Demand for componentry by this segment is very unstable. Demand from toy and health care product manufacturers was strong in the first half of FY2016 but fell sharply after the holiday gift season in the second half of FY2016. We will carefully monitor demand cycles for seasonal peaks in FY2017.

Profit Margin

China's GDP growth rate in 2015 sunk to its lowest in the last 25 years with growth decelerating every quarter since the beginning of 2010. This led to downward pressure on prices and a squeeze on our gross profit margin to 8.78% in FY2016 from 9.13% in FY2015.

Distribution costs

Distribution costs increased by HK\$1.7 million, or 3.9%, from HK\$45.3 million in FY2015 to HK\$47.0 million in FY2016. The increase in distribution costs was mainly due to higher sales commissions incurred to boost the Group's sales revenue.

Administrative expenses

Administrative expenses decreased by HK\$5.4 million, or 2.6%, from HK\$206.2 million in FY2015 to HK\$200.8 million in FY2016. The decrease was mainly attributable to fewer staff cost incurred following the restructuring of ValenceTech group in FY2015 because of operational downsizing to an optimum level.

Other gains and losses

Other losses in FY2016 included an exchange loss of HK\$14.3 million mainly arising from the depreciation of the Chinese renminbi against the United States dollars, offset by a reversal of allowance for doubtful trade receivables of HK\$8.5 million. Other losses of HK\$1.2 million in FY2015 were mainly due to an exchange loss offset by a reversal of allowance for doubtful trade receivables.

Finance costs

Finance costs increased by HK\$4.0 million, or 23.3%, from HK\$16.9 million in FY2015 to HK\$20.9 million in FY2016. This was mainly attributable to an increase in bank borrowings.

Share of loss of associates/Impairment loss on interests in associates

Share of loss of associates increased by HK\$31.8 million from HK\$6.5 million in FY2015 to HK\$38.3 million in FY2016. The loss was mainly due to doubtful debts provision for debtors of memory products.

In September 2015, the Group's associated company, GW Electronics Company Limited (including its subsidiaries located in mainland China, collectively "GW Electronics") received notices from Toshiba Electronics Asia, Ltd. ("Toshiba Asia") and Toshiba Electronics (China) Co., Ltd. to terminate its authorised distributorship agreement. In March 2016, GW Electronics has been served with a winding-up petition issued by Toshiba Asia in connection with an alleged outstanding amount of approximately US\$15.3 million which Toshiba Asia alleged was due and payable by GW Electronics. GW Electronics has in May 2016 filed affirmations to oppose and apply to strike out the winding-up petition, or in the alternative, for the court to order that the winding-up petition be stayed for arbitration.

As GW Electronics is a limited liability corporation, the Group's maximum potential exposure to any legal claim by Toshiba Asia against GW Electronics, including as a result of the winding-up petition, will be limited to the Group's equity interest in GW Electronics. As a result thereof, an impairment loss of HK\$70.1 million was made in FY2016.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position

Compared to the previous year ended March 31, 2015, the increase in trust receipt loans by HK\$83.0 million was due to the increase in purchasing activity during the current financial period. Trade and bills receivables increased by HK\$7.5 million when compared to the year ended March 31, 2015 due to increase in trade receivables towards the end of the period under review. The debtors turnover days decrease from 2.1 months to 1.9 months this year.

As at March 31, 2016, the Group's current ratio (current assets/current liabilities) was 1.25 (March 31, 2015: 1.30).

Inventories

Inventories increased from HK\$515.3 million as at March 31, 2015 to HK\$535.5 million as at March 31, 2016. The inventory turnover days maintained at 2.0 months.

Cash Flow

As at March 31, 2016, the Group had a working capital of HK\$320.6 million, which included a cash balance of HK\$482.6 million, compared to a working capital of HK\$324.0 million, which included a cash balance of HK\$306.0 million at March 31, 2015. The increase in cash by HK\$176.6 million was attributable to the net effect of cash inflow of HK\$33.5 million from operating activities and HK\$163.2 million from financing activities and cash outflows of HK\$26.8 million in investing activities.

Cash inflow from operating activities was mainly attributable to an increase in operating cash inflow.

Cash inflow from financing activities was attributable to an increase in trust receipt loans and bank borrowings due to increase of purchasing activities and increase in cash buffer.

Cash outflow in investing activities was mainly attributable to a further investment in the associated company in July 2015 of HK\$24.5 million.

Borrowing and Banking Facilities

As at March 31, 2016, bank borrowings of HK\$202.0 million (March 31, 2015: HK\$169.0 million) were unsecured and repayable in quarterly or monthly installments ending in FY2018.

Bank borrowings bore interest at a weighted average effective rate of 2.91% for fixed rate borrowing and 2.30% for variable rate borrowings as at March 31, 2016.

As at March 31, 2016 trust receipt loans were unsecured, repayable within one year and bore an effective interest rate of 1.72% to 2.89% per annum. As at March 31, 2016, the Group had unutilised banking facilities of HK\$488.8 million (March 31, 2015: HK\$529.0 million).

The aggregate amount of group's borrowings and debt securities are as follows:

Amount repayable in one year or less, or on demand

As at March 31, 2016		As at March 31, 2015	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
48,768	791,485	20,610	675,466

Amount repayable after one year

As at March 31, 2016		As at March 31, 2015	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
–	–	–	–

As at March 31, 2016, trade receivables amounted to HK\$61.0 million (March 31, 2015: HK\$25.8 million) were transferred to banks by discounting those receivables on a full recourse basis. As the Group had not transferred the significant risks and rewards relating to these receivables, it continued to recognise the full carrying amount of the receivables and had recognised the cash received on the transfer as a secured borrowing amounted to HK\$48.8 million (March 31, 2015: HK\$20.6 million).

Foreign Exchange Risk Management

The Group operates in Hong Kong, PRC and Taiwan. It incurred foreign currency risk mainly on sales and purchases that were denominated in currencies other than our functional currencies. Sales are mainly denominated in United States dollars (“USD”), Chinese renminbi (“RMB”), Hong Kong dollars (“HKD”) and Taiwan dollars (“TWD”) whereas purchases are mainly denominated in USD, Japanese yen (“JPY”), RMB and HKD. Therefore the exposure in exchange rate risks mainly arises from fluctuations in foreign currencies against the functional currencies. Given the pegged exchange rate between HKD and USD, the exposure of entities that use HKD as their respective functional currency to the fluctuations in the USD is minimal. However, exchange rate fluctuations between RMB and USD, RMB and JPY, HKD and JPY, or TWD and USD could affect the Group’s performance and asset value. The Group has a foreign currency hedging policy to monitor and maintain its foreign exchange exposure at an acceptable level.

Gearing Ratio

The gearing ratio as at March 31, 2016 was 153.1% (March 31, 2015: 108.3%). The gearing ratio was derived by dividing total debt (representing interest-bearing bank borrowings, trust receipt loans and bills payables) by shareholders’ equity at the end of a given period. The increase was mainly due to an increase in trust receipt loans from HK\$506.5 million to HK\$589.5 million and bank borrowings from HK\$189.6 million to HK\$250.8 million to enhance the cash buffer and to finance the increased purchasing activities.

Contingent Liabilities

The Company had given corporate guarantees (unsecured) to its banks in respect of banking facilities granted to its subsidiaries. As at March 31, 2016, the aggregate banking facilities granted to the subsidiaries were HK\$1,289.9 million (March 31, 2015: HK\$1,225.3 million), of which HK\$804.2 million (March 31, 2015: HK\$699.1 million) was utilised and guaranteed by the Company.

As at March 31, 2016, the Company had also given guarantees to certain suppliers in relation to the subsidiaries' settlement of the respective payables. The aggregate amounts payable to these suppliers under guarantee were HK\$274.6 million (March 31, 2015: HK\$235.9 million).

As at March 31, 2016, the Company had given corporate guarantees (unsecured) of HK\$ nil (March 31, 2015: HK\$167.3 million) to its banks in respect of banking facilities granted to its associates, of which HK\$ nil (March 31, 2015: HK\$131.4 million) was utilised, by its associates.

STRATEGY AND PROSPECTS (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)

Although further deterioration in the macroeconomic environment is not generally expected, the Chinese government has finalized its 13th five-year plan (for 2016-2020 period) and lowered its forecast of the GDP growth rate to 6.5% for the next five years, down from the 7.0% projected in the previous plan. The Group expects this to have a dampening effect on overall consumer sentiment, which will affect the electronics industry. As such, we expect the next 12 months to remain challenging with competition in the industry intensifying further.

The Group will continue to be prudent in managing its operations while maintaining its cautious stance in managing costs and sustaining a healthy liquidity position in order to support long term growth.

IMPORTANT EVENTS AFFECTING THE GROUP SINCE THE END OF THE FINANCIAL YEAR

There are no important events affecting the Group which have occurred since the end of the financial year.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended March 31, 2016.

On August 26, 2015, a final dividend of HK6.347 cents (equivalent to approximately 1.1 Singapore cents) per ordinary share was paid to the shareholders of the Company (the "Shareholders") in respect of the financial year ended March 31, 2015.

ANNUAL GENERAL MEETING

The 2016 annual general meeting of the Shareholders (the "AGM") will be held on Friday, July 29, 2016 and the notice of the AGM will be published and despatched to the Shareholders in due course.

EMPLOYEES AND REMUNERATION POLICIES

As at March 31, 2016, the Group had a workforce of 477 full-time employees (March 31, 2015: 480), of which 37.1% worked in Hong Kong, 59.5% in the People's Republic of China (the "PRC") and the remainder in Taiwan.

The Group actively pursues a strategy of recruiting, developing and retaining talented employees by (i) providing them with regular training programmes to ensure that they are kept abreast of the latest information pertaining to the products distributed by the Group, technological developments and market conditions of the electronics industry; (ii) aligning employees' compensation and incentives with their performance; and (iii) providing them with a clear career path with opportunities for taking on additional responsibilities and securing promotions.

While the Group's employees in Hong Kong and Taiwan are required to participate in the mandatory provident fund scheme and a defined contribution pension scheme respectively, the Group makes contributions to various government-sponsored employee-benefit funds, including social insurance fund, housing fund, basic pension insurance fund and unemployment, maternity and work-related insurance funds for its employees in the PRC in accordance with the applicable PRC laws and regulations.

Further, the remuneration committee of the Company reviews and determines the remuneration and compensation packages of the directors of the Company (the "Directors") and senior management by reference to the salaries paid by comparable companies, the time commitment and responsibilities of the Directors and the performance of the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended March 31, 2016, the Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities.

COMPLIANCE WITH HONG KONG CORPORATE GOVERNANCE CODE

The Board and the Company's management are committed to maintaining high standards of corporate governance. The Board firmly believes that conducting the Group's business in a transparent and responsible manner and following good corporate governance practices serve its long-term interests and those of the Shareholders. The Board considers that during the year ended March 31, 2016, the Company has complied with all the code provisions of the Corporate Governance Code (the "HK CG Code") as contained in Appendix 14 to the Rules Governing the Listing of Securities on the HK Stock Exchange (the "HK Listing Rules") except for the following:

Under the Bye-Laws of the Company (the "Bye-Laws"), all the Directors except the managing director of the Company (the "Managing Director") must retire from office by rotation at each AGM. However, the Managing Director, whilst holding such office,

is not required to retire by rotation under the Bye-Laws. Nonetheless, all Directors (including the Managing Director) will be subject to retirement by rotation at each AGM at least once every three years for good corporate governance and in compliance with the HK CG Code, which requires that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In the event of any conflict between the HK Listing Rules and the Bye-Laws, the Company will comply with the more onerous provisions. As such, the Board considers that sufficient measures are in place to ensure the Company's corporate governance practices relating to the appointment, retirement and re-election of Directors (including independent non-executive Directors (the "INEDs")).

Code provision A.6.7 of the HK CG Code provides that the INEDs and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. One INED was not able to attend the AGM held on July 30, 2015 (the "2015 AGM") due to his business engagement. Other Board members who attended the 2015 AGM were already of sufficient calibre and number for answering questions raised by the Shareholders at the 2015 AGM.

COMPLIANCE WITH HONG KONG MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "HK Model Code") as set out in Appendix 10 to the HK Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Following a specific enquiry made by the Company with the Directors, all of them have confirmed that they had complied with the required standards as set out in the HK Model Code throughout the year ended March 31, 2016.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the HK CG Code and the Main Board rules of the listing manual of Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Audit Committee comprises all of the three INEDs, namely Jovenal R. Santiago (committee chairman), Wong Kwan Seng, Robert and Iu Po Chan, Eugene. The Group's audited results and the Company's draft annual report for the year ended March 31, 2016 have been reviewed by the Audit Committee.

AUDIT OR REVIEW OF THE FINANCIAL RESULTS

The figures for the current reporting period have been audited by the Company's independent auditors, Deloitte Touche Tohmatsu, Hong Kong.

The independent auditors' report on the consolidated financial statements of the Group and the statements of financial position and statement of changes in equity of the Company as of and for the year ended March 31, 2016 is attached as Appendix 1 to this announcement.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED, THE COMPANY AND THE SGX-ST

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (the “HKEx”) at www.hkex.com.hk, the website of the Company at www.willas-array.com and the website of the SGX-ST at www.sgx.com. The annual report of the Company for the year ended March 31, 2016 will be dispatched to the Shareholders and published on the respective websites of the HKEx, the SGX-ST and the Company in due course.

SUPPLEMENTARY INFORMATION

1. *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, 2015.

2. *If the Group has obtained a general mandate from Shareholders for interest person transactions (the “IPTs”), the aggregate value of such transactions as required under Rule 920 (1)(a)(ii) of the Listing Manual of SGX-ST. If no IPT mandate has been obtained, a statement to that effect*

No general mandate has been obtained from its Shareholders for IPTs.

3. *A breakdown of sales*

Group			
	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	Increase/ (Decrease) %
(a) Sales reported for first half year	1,878,222	1,779,351	5.6%
(b) Operating (loss) profit after tax before deducting non-controlling interests reported for first half year	(37,837)	11,084	-441.4%
(c) Sales reported for second half year	1,764,024	1,612,646	9.4%
(d) Operating (loss) profit after tax before deducting non-controlling interests reported for second half year	(32,207)	19,131	-268.3%

4. *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	Previous Full Year
	HK\$'000	HK\$'000
Ordinary	0	23,962
Preference	0	0
Total:	0	23,962

5. *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
Leung Chi Hang, Daniel	40	Eldest son of Leung Chun Wah, the Chairman, an Executive Director and a Substantial Shareholder of the Company.	Deputy Managing Director for Information Technology and Logistics with effect from April 1, 2015. He is responsible for overseeing the Information Technology and Logistics functions of the Group.	No change

6. *Undertakings from the Directors and Executive Officers pursuant to Rule 720(1) of the Listing Manual of SGX-ST*

On behalf of the Board, we confirm that we have procured all the required undertakings to comply with SGX-ST's listing rules from all the Directors and executive officers of the Company.

By Order of the Board
Willas-Array Electronics (Holdings) Limited
Leung Chun Wah
Chairman and Executive Director

Hong Kong / Singapore, May 27, 2016

As at the date of this announcement, the Board comprises four Executive Directors, namely Leung Chun Wah (Chairman), Kwok Chan Cheung (Deputy Chairman), Hon Kar Chun (Managing Director) and Leung Hon Shing; and three Independent Non-executive Directors, namely Jovenal R. Santiago, Wong Kwan Seng, Robert and Iu Po Chan, Eugene.

Appendix 1

The independent auditors' report on the full financial statements of Willas-Array Electronics (Holdings) Limited for the financial year ended March 31, 2016 is as follows:

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED
For the financial year ended March 31, 2016**

Report on the Financial Statements

We have audited the consolidated financial statements of Willas-Array Electronics (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 3* to 87*, which comprise the statement of financial position of the Company and consolidated statement of financial position of the Group as at March 31, 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with International Standards on Auditing issued by the International Federation of Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company give a true and fair view of the financial position of the Group and the Company as at March 31, 2016, and of its financial performance and cash flows of the Group for the year then ended in accordance with the International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

May 27, 2016

* *Refer to the actual pages of the audited financial statements.*