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**WILLAS-ARRAY**

威雅利電子(集團)有限公司

**WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Hong Kong stock code: 854)**

**(Singapore stock code: W12)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED MARCH 31, 2015**

**FINANCIAL HIGHLIGHTS**

	<b>For the year ended March 31,</b>		<b>Change %</b>
	<b>2015 HK\$'000</b>	<b>2014 HK\$'000</b>	
Revenue	<b>3,391,997</b>	3,196,270	<b>+6.1</b>
Gross profit	<b>309,665</b>	327,797	<b>-5.5</b>
Profit before tax	<b>42,352</b>	40,239	<b>+5.3</b>
Profit attributable to shareholders	<b>31,957</b>	29,004	<b>+10.2</b>
Basic earnings per share ( <i>HK cents</i> )	<b>8.50</b>	7.78	<b>+9.3</b>

## 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, 2015, together with the comparative figures for the year ended March 31, 2014.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended March 31, 2015*

	NOTES	2015 HK\$'000	2014 HK\$'000	Change %
Revenue	4	<b>3,391,997</b>	3,196,270	<b>+6.1</b>
Cost of sales		<b>(3,082,332)</b>	(2,868,473)	<b>+7.5</b>
Gross profit		<b>309,665</b>	327,797	<b>-5.5</b>
Other operating income		<b>3,490</b>	4,216	<b>-17.2</b>
Distribution costs		<b>(45,267)</b>	(46,115)	<b>-1.8</b>
Administrative expenses		<b>(206,186)</b>	(211,524)	<b>-2.5</b>
Listing expenses		–	(26,055)	<b>NM</b>
Share of (loss) profit of associates		<b>(6,486)</b>	7,128	<b>-191.0</b>
Other gains and losses		<b>(1,164)</b>	471	<b>-347.1</b>
Amortisation of financial guarantee liabilities		<b>5,237</b>	1,523	<b>+243.9</b>
Finance costs		<b>(16,937)</b>	(17,202)	<b>-1.5</b>
Profit before tax		<b>42,352</b>	40,239	<b>+5.3</b>
Income tax expenses	5	<b>(12,137)</b>	(14,852)	<b>-18.3</b>
Profit for the year	6	<b>30,215</b>	25,387	<b>+19.0</b>
Other comprehensive income (expense):				
<i>Items that will not be reclassified to profit or loss:</i>				
– Gain on revaluation of properties		<b>121,314</b>	–	<b>NM</b>
– Income tax relating to gains recognized in other comprehensive income		<b>(24,695)</b>	–	<b>NM</b>
		<b>96,619</b>	–	<b>NM</b>
<i>Items that may be reclassified subsequently to profit or loss:</i>				
– Exchange differences on translation of overseas operations		<b>(278)</b>	3,253	<b>-108.5</b>
– Release of exchange differences upon dissolution of overseas operations		<b>280</b>	–	<b>NM</b>
		<b>2</b>	3,253	<b>-99.9</b>
Other comprehensive income for the year, net of tax		<b>96,621</b>	3,253	<b>NM</b>
Total comprehensive income for the year		<b>126,836</b>	28,640	<b>+342.9</b>

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

*For the year ended March 31, 2015*

	<i>NOTE</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>	<b>Change</b> %
Profit (loss) attributable to:				
Owners of the Company		<b>31,957</b>	29,004	<b>+10.2</b>
Non-controlling interests		<b>(1,742)</b>	(3,617)	<b>-51.8</b>
		<u><b>30,215</b></u>	<u>25,387</u>	<b>+19.0</b>
Total comprehensive income (expense) attributable to:				
Owners of the Company		<b>128,578</b>	32,250	<b>+298.7</b>
Non-controlling interests		<b>(1,742)</b>	(3,610)	<b>-51.7</b>
		<u><b>126,836</b></u>	<u>28,640</u>	<b>+342.9</b>
Earnings per share	14			
– Basic (HK cents)		<u><b>8.50</b></u>	<u>7.78</u>	<b>+9.3</b>
– Diluted (HK cents)		<u><b>8.42</b></u>	<u>7.66</u>	<b>+9.9</b>

NM: Not meaningful

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2015

	NOTES	2015 HK\$'000	2014 HK\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		305,955	218,977
Restricted bank deposits		2,516	7,296
Trade and bills receivables	7	573,421	602,266
Other receivables and prepayment – current		8,678	6,994
Prepaid lease payments – current		12	12
Derivative financial instruments		20	–
Income tax recoverable		452	1,338
Inventories		515,274	440,067
Total current assets		<u>1,406,328</u>	<u>1,276,950</u>
<b>Non-current assets</b>			
Prepaid lease payments – non-current		594	607
Property, plant and equipment	9	272,711	157,128
Long-term deposits		1,125	427
Available-for-sale investments		2,001	2,001
Interests in associates		82,498	59,172
Deferred tax assets		413	339
Total non-current assets		<u>359,342</u>	<u>219,674</u>
<b>Total assets</b>		<u><u>1,765,670</u></u>	<u><u>1,496,624</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued**

*As at March 31, 2015*

	<i>NOTES</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trust receipt loans		<b>506,466</b>	440,805
Trade and bills payables	10	<b>347,440</b>	339,535
Other payables		<b>36,544</b>	40,663
Income tax payable		<b>1,436</b>	4,833
Derivative financial instruments		<b>92</b>	268
Financial guarantee liabilities		<b>730</b>	660
Bank borrowings		<b>189,610</b>	112,300
		<hr/>	<hr/>
Total current liabilities		<b>1,082,318</b>	939,064
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>25,774</b>	2,791
		<hr/>	<hr/>
<b>Capital, reserves and non-controlling interests</b>			
Issued capital	11	<b>75,349</b>	74,544
Capital reserves		<b>194,343</b>	195,716
Other reserves		<b>392,475</b>	287,356
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>662,167</b>	557,616
Non-controlling interests		<b>(4,589)</b>	(2,847)
		<hr/>	<hr/>
Total equity		<b>657,578</b>	554,769
		<hr/>	<hr/>
<b>Total liabilities and equity</b>		<b>1,765,670</b>	1,496,624
		<hr/> <hr/>	<hr/> <hr/>
<b>Net current assets</b>		<b>324,010</b>	337,886
		<hr/> <hr/>	<hr/> <hr/>
<b>Total assets less current liabilities</b>		<b>683,352</b>	557,560
		<hr/> <hr/>	<hr/> <hr/>

**STATEMENT OF FINANCIAL POSITION – COMPANY LEVEL***As at March 31, 2015*

	<i>NOTE</i>	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		<b>3,367</b>	2,925
Other receivables and prepayment – current		<b>159,057</b>	149,733
Income tax recoverable		<b>–</b>	168
Total current assets		<b>162,424</b>	152,826
<b>Non-current assets</b>			
Other receivables – non-current		<b>49,000</b>	49,000
Investments in subsidiaries		<b>117,470</b>	117,470
Interests in associates		<b>7,490</b>	2,183
Total non-current assets		<b>173,960</b>	168,653
<b>Total assets</b>		<b>336,384</b>	321,479
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Other payables		<b>10,270</b>	10,701
Income tax payable		<b>109</b>	–
Financial guarantee liabilities		<b>730</b>	660
Total current liabilities		<b>11,109</b>	11,361
<b>Equity attributable to owners of the Company</b>			
Issued capital	11	<b>75,349</b>	74,544
Capital reserves		<b>194,343</b>	195,716
Other reserves		<b>55,583</b>	39,858
Total equity		<b>325,275</b>	310,118
<b>Total liabilities and equity</b>		<b>336,384</b>	321,479
<b>Net current assets</b>		<b>151,315</b>	141,465
<b>Total assets less current liabilities</b>		<b>325,275</b>	310,118

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2015

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Operating activities</b>		
Profit before tax	42,352	40,239
Adjustments for:		
Depreciation expense	11,562	11,636
Amortisation of prepaid lease payments	13	12
Interest expense	16,937	17,202
Allowance for (reversal of) inventories	4,916	(8,452)
(Reversal of) allowance for doubtful trade receivables	(3,200)	6,665
Gain on disposal of property, plant and equipment	(355)	–
Net gain on fair value changes of derivative financial instruments	(196)	(1,985)
Share of loss (profit) of associates	6,486	(7,128)
Amortisation of financial guarantee liabilities	(5,237)	(1,523)
Interest income	(863)	(1,253)
Release of exchange differences upon dissolution of overseas operation	280	–
	<hr/>	<hr/>
Operating cash flows before movements in working capital	72,695	55,413
Decrease (increase) in trade and bills receivables	30,755	(103,678)
(Increase) decrease in other receivables and prepayment	(1,703)	4,342
Increase in inventories	(81,016)	(77,933)
Increase in trade and bills payables	7,998	43,667
(Decrease) increase in other payables	(5,155)	3,035
(Increase) decrease in long-term deposits	(697)	1,256
	<hr/>	<hr/>
Cash from (used in) operations	22,877	(73,898)
Income tax paid	(16,406)	(15,737)
Interest paid	(15,850)	(17,932)
Interest received	863	1,253
	<hr/>	<hr/>
Net cash used in operating activities	(8,516)	(106,314)

**CONSOLIDATED STATEMENT OF CASH FLOWS - continued***For the year ended March 31, 2015*

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(6,396)	(3,877)
Withdrawal of restricted bank deposits	7,296	7,161
Placement of restricted bank deposits	(2,516)	(7,296)
Proceeds from disposal of property, plant and equipment	909	–
Capital injection to associates	(24,500)	–
Dissolution of subsidiary ( <i>Note</i> )	–	(488)
	<hr/>	<hr/>
Net cash used in investing activities	(25,207)	(4,500)
<b>Financing activities</b>		
Dividend paid to shareholders	(25,702)	(22,855)
Proceeds from exercise of share options	1,675	–
Repayment of trust receipt loans	(1,920,330)	(1,829,725)
Proceeds from trust receipt loans	1,985,991	1,849,057
Repayment of bank borrowings	(190,838)	(153,000)
Proceeds from bank borrowings	268,443	97,000
	<hr/>	<hr/>
Net cash from (used in) financing activities	119,239	(59,523)
Net increase (decrease) in cash and cash equivalents	85,516	(170,337)
Cash and cash equivalents at beginning of the year	218,977	390,395
Effects of exchange rate changes on the balance of cash held in foreign currencies	1,462	(1,081)
	<hr/>	<hr/>
Cash and cash equivalents at end of the year	<u>305,955</u>	<u>218,977</u>

*Note:* During the year ended March 31, 2014, Aries Tech Hong Kong Limited, a non-wholly owned subsidiary of the Group, was dissolved and HK\$488,000 was paid to the non-controlling interest as refund of capital contributed.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the year ended March 31, 2015*

	Issued capital	Capital reserves	Statutory reserve	Revaluation reserve	Currency translation reserve	Accumulated profits	Attributable to owners of the Company	Non- controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000 (Note)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at April 1, 2013	74,544	196,500	14,135	-	17,510	245,532	548,221	1,251	549,472
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	29,004	29,004	(3,617)	25,387
Other comprehensive income for the year, net of income tax	-	-	-	-	3,246	-	3,246	7	3,253
Total	-	-	-	-	3,246	29,004	32,250	(3,610)	28,640
Transactions with owners, recognised directly in equity:									
Dissolution of subsidiary	-	-	-	-	-	-	-	(488)	(488)
Share options cancelled/lapsed	-	(784)	-	-	-	784	-	-	-
Dividend paid (Note 13)	-	-	-	-	-	(22,855)	(22,855)	-	(22,855)
Transfer to statutory reserve	-	-	2,345	-	-	(2,345)	-	-	-
Total	-	(784)	2,345	-	-	(24,416)	(22,855)	(488)	(23,343)
Balance at March 31, 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 13)	-	-	-	-	-	(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	<u>75,349</u>	<u>194,343</u>	<u>16,525</u>	<u>96,619</u>	<u>20,758</u>	<u>258,573</u>	<u>662,167</u>	<u>(4,589)</u>	<u>657,578</u>

*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, 2015*

	<b>Issued capital</b>	<b>Capital reserves</b>	<b>Accumulated profits</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at April 1, 2013	74,544	196,500	53,736	324,780
Profit for the year, representing total comprehensive income for the year	–	–	8,193	8,193
Transactions with owners, recognised directly in equity:				
Share options cancelled/lapsed	–	(784)	784	–
Dividend paid ( <i>Note 13</i> )	–	–	(22,855)	(22,855)
	–	(784)	(22,071)	(22,855)
Total	–	(784)	(22,071)	(22,855)
Balance at March 31, 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 13</i> )	–	–	(25,702)	(25,702)
	805	(1,373)	(23,459)	(24,027)
Total	805	(1,373)	(23,459)	(24,027)
Balance at March 31, 2015	75,349	194,343	55,583	325,275

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended March 31, 2015*

### 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, 2014. These IFRSs are:

- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investments Entities*
- Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*
- Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*
- IFRIC 21 *Levies*

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. CHANGE OF ACCOUNTING POLICY

In previous years, the Group's leasehold land and buildings were carried in the consolidated statement of financial position at historical cost less accumulated depreciation and impairment losses. Management reassessed the appropriateness of this accounting policy during the year and concluded that using the revaluation model under IAS 16 *Property, Plant and Equipment* would result in the consolidated financial statements providing more appropriate and relevant information on the Group's assets value to the financial statements users as it reflects the leasehold land and buildings' up-to-date values.

### 3. CHANGE OF ACCOUNTING POLICY - continued

Consequently, the Group changed its accounting policies on leasehold land and buildings to apply the revaluation model under IAS 16 prospectively with effect from March 31, 2015. The effects of changes in accounting policies described above on the results for current year is to increase the carrying amount of property, plant and equipment at March 31, 2015 by approximately HK\$121,314,000; increase the deferred tax liabilities by approximately HK\$24,695,000; and creation of revaluation reserve at March 31, 2015 of approximately HK\$96,619,000 with the same amount recognised in other comprehensive income.

### 4. 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 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

#### For the year ended March 31, 2015

	Trading of electronic components				Trading and designing integrated circuits HK\$'000	Elimination HK\$'000	Total HK\$'000
	Southern China Region HK\$'000	Northern China Region HK\$'000	Taiwan HK\$'000	Sub-total HK\$'000			
<b>Revenue</b>							
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)	–
<b>Net sales</b>	<b>2,300,810</b>	<b>1,589,152</b>	<b>102,153</b>	<b>3,992,115</b>	<b>24,795</b>	<b>(624,913)</b>	<b>3,391,997</b>
Cost of sales	2,126,516	1,474,000	90,191	3,690,707	15,824	(624,199)	3,082,332
<b>Gross profit</b>	<b>174,294</b>	<b>115,152</b>	<b>11,962</b>	<b>301,408</b>	<b>8,971</b>	<b>(714)</b>	<b>309,665</b>
<b>Segment result</b>	<b>33,249</b>	<b>16,000</b>	<b>2,400</b>	<b>51,649</b>	<b>(3,640)</b>	<b>(714)</b>	<b>47,295</b>
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>

#### 4. SEGMENT INFORMATION - continued

For the year ended March 31, 2014

	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
<b>Revenue</b>							
Sales – external	1,926,034	1,189,779	67,293	3,183,106	13,164	–	3,196,270
Sales – inter-company	380,966	238,829	16,479	636,274	30,915	(667,189)	–
<b>Net sales</b>	2,307,000	1,428,608	83,772	3,819,380	44,079	(667,189)	3,196,270
Cost of sales	2,127,244	1,305,748	74,324	3,507,316	30,849	(669,692)	2,868,473
<b>Gross profit</b>	<u>179,756</u>	<u>122,860</u>	<u>9,448</u>	<u>312,064</u>	<u>13,230</u>	2,503	<u>327,797</u>
<b>Segment result</b>	<u>38,979</u>	<u>31,878</u>	<u>1,377</u>	<u>72,234</u>	<u>(11,568)</u>	2,503	<u>63,169</u>
Unallocated other revenue							1,164
Amortisation of financial guarantee liabilities							1,523
Unallocated corporate expenses							(6,690)
Listing expenses							(26,055)
Share of profit of associates							7,128
Profit before tax							40,239
Income tax expenses							(14,852)
Profit for the year							25,387
Non-controlling interests							3,617
Profit attributable to owners of the Company							<u>29,004</u>

Segment profit (loss) represents the profit earned by or loss from each segment without allocation of central administrative expenses, other revenue, listing expenses, amortisation of financial guarantee liabilities and share of (loss) profit of 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.

## 5. INCOME TAX EXPENSES

	<b>2015</b>	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
The income tax charge comprises:		
Current Tax:		
– Hong Kong	<b>9,532</b>	9,819
– PRC Enterprise Income Tax	<b>803</b>	3,439
– Other jurisdictions	<b>697</b>	1,737
– Taiwan withholding tax on dividends distributed by subsidiaries	<b>2,692</b>	–
	<u><b>13,724</b></u>	<u>14,995</u>
Under (over)provision in prior year:		
– Hong Kong	<b>(138)</b>	(132)
– PRC Enterprise Income Tax	<b>289</b>	(48)
– Other jurisdictions	<b>48</b>	(63)
	<u><b>199</b></u>	<u>(243)</u>
Deferred tax:		
– Current year	<b>(1,786)</b>	100
	<u><b>12,137</b></u>	<u>14,852</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.

## 6. PROFIT FOR THE YEAR

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Directors' fees:		
Directors of the Company	1,112	1,108
Directors of the subsidiaries	6	21
Directors' remuneration: <i>(Note i)</i>		
Directors of the Company	10,189	11,568
Directors of the subsidiaries	353	1,198
Audit fees paid to auditors		
Auditor of the Company <i>(Note ii)</i>	2,290	2,222
Other auditors	215	148
Listing expenses <i>(Note iii)</i>	–	26,055
Non-audit fees paid to auditors		
Auditor of the Company <i>(Note ii)</i>	546	325
Other auditors	–	243
Staff costs (excluding directors' remuneration) <i>(Note i)</i>	136,131	137,281
Amortisation of prepaid lease payments	13	12
Cost of inventories recognised as expenses	3,082,332	2,868,473
Depreciation of property, plant and equipment	11,562	11,636
Gain on disposal of property, plant and equipment	(355)	–
Net foreign exchange loss (gain)	4,915	(5,151)
Net gain on fair value changes of derivative financial instruments	(196)	(1,985)
(Reversal of) allowance for doubtful trade receivables	(3,200)	6,665
Interest income from bank deposits	(863)	(1,253)
Allowance for (reversal of) inventories <i>(Note iv)</i>	4,916	(8,452)
	<u>          </u>	<u>          </u>

*Notes:*

- (i) During the year ended March 31, 2015 and 2014, there are cost of defined contribution plans amounting to HK\$16,680,000 and HK\$15,631,000 respectively, included in staff costs and directors' remuneration.
- (ii) Deloitte & Touche LLP, Singapore ("Deloitte Singapore") acted as the auditor of the Company since 2001 and the Company appointed Deloitte Touche Tohmatsu, Hong Kong ("Deloitte Hong Kong") as the auditor of the Company to fill up the vacancy arising from the retirement of Deloitte Singapore in July 2014.
- (iii) During the year ended March 31, 2014, the Group incurred listing expenses in connection with the listing of the Company's shares on the HK Stock Exchange amounted to HK\$26,055,000. An amount of HK\$2,900,000 included in the listing expenses was paid to Deloitte Hong Kong.
- (iv) During the year ended March 31, 2014, there was a reversal of allowance for inventories of approximately HK\$8,452,000 recognised because of return of the relevant inventories to the vendors.

**7. TRADE AND BILLS RECEIVABLES**

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade receivables	<b>577,017</b>	596,964
Less: allowance for doubtful debts	<b>(26,727)</b>	(30,417)
	<hr/>	<hr/>
Net trade receivables	<b>550,290</b>	566,547
Bills receivables	<b>23,131</b>	35,719
	<hr/>	<hr/>
	<b>573,421</b>	602,266
	<hr/> <hr/>	<hr/> <hr/>

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

The average credit period on sales of goods is 60 days (2014: 60 days). The following is an analysis of trade receivables net of allowance for doubtful debts, presented based on the invoice date, at the end of the reporting period.

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 60 days	<b>391,291</b>	408,511
61 to 90 days	<b>111,096</b>	120,262
Over 90 days	<b>47,903</b>	37,774
	<hr/>	<hr/>
	<b>550,290</b>	566,547
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 60 days	<b>18,892</b>	21,156
61 to 180 days	<b>4,239</b>	14,563
	<hr/>	<hr/>
	<b>23,131</b>	35,719
	<hr/> <hr/>	<hr/> <hr/>



## 8. TRANSFER OF FINANCIAL ASSETS

As at March 31, 2015, trade receivables amounted to HK\$25,762,000 (2014: HK\$ nil) 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 HK\$20,610,000 (2014: HK\$ nil). These financial assets are carried at amortised cost in the Group's consolidated statement of financial position.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the year, the Group spent HK\$6,396,000 (2014: HK\$3,877,000) on the acquisition of property, plant and equipment. In addition, the Group disposed of certain property, plant and equipment with a carrying amount of HK\$15,347,000 (2014: HK\$488,000), resulting in a gain of HK\$355,000 (2014: HK\$ nil).

## 10. TRADE AND BILLS PAYABLES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	326,650	323,386
Bills payables	20,790	16,149
	<u>347,440</u>	<u>339,535</u>

Bills payables of the Group are aged within 60 days (2014: 60 days).

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Less than 30 days	298,703	276,015
31 to 60 days	27,871	47,233
Over 60 days	76	138
	<u>326,650</u>	<u>323,386</u>

## 11. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
<b>Authorised</b>		
At April 1, 2013, April 1, 2014 and March 31, 2015		
– Ordinary shares of HK\$0.2 each	600,000	120,000
<b>Issued and fully paid</b>		
At April 1, 2013 and April 1, 2014		
– Ordinary shares of HK\$0.2 each	372,720	74,544
Exercise of share options	4,025	805
At March 31, 2015		
– Ordinary shares of HK\$0.2 each	376,745	75,349

The Company has no treasury shares.

## 12. 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. Details of the share options schemes were disclosed in the Group's annual financial statements for the year ended March 31, 2014.

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

	Number of share options
Unexercised options for ordinary shares at April 1, 2013	22,138,800
Lapsed during the year	(600,000)
Cancelled during the year	(3,006,000)
Unexercised options for ordinary shares at March 31, 2014	18,532,800
Lapsed during the year	(8,580,000)
Cancelled during the year	(960,000)
Exercised during the year	(4,024,800)
Unexercised options for ordinary shares at March 31, 2015	4,968,000

## 12. SHARE-BASED PAYMENTS - continued

During the year ended March 31, 2015, share options holders exercised part of their share options and acquired 3,016,800 shares and 1,008,000 shares of HK\$0.20 each of the Company at an exercise price of S\$0.067 per share on June 13, 2014 and July 22, 2014, respectively. The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was S\$0.164.

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.

## 13. DIVIDENDS

	<b>2015</b>	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2013 – Final HK6.132 cents per share	–	22,855
2014 – Final HK6.822 cents per share	<b>25,702</b>	–
	<hr/>	<hr/>
	<b>25,702</b>	22,855
	<hr/> <hr/>	<hr/> <hr/>

On August 22, 2014, a one-tier tax exempt dividend of HK6.822 cents per share (total dividend of HK\$25,702,000) was paid to shareholders in respect of the financial year ended March 31, 2014.

In respect of the year ended March 31, 2015, the directors propose that a one-tier tax exempt dividend of HK6.347 cents per share will be paid to shareholders on August 26, 2015. This dividend is subject to the approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the Register of Members on August 14, 2015. The estimated total dividend to be paid is approximately HK\$23,912,000.

#### 14. EARNINGS PER SHARE

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

	Group Figures			
	2015		2014	
	Basic <i>HK\$'000</i>	Diluted <i>HK\$'000</i>	Basic <i>HK\$'000</i>	Diluted <i>HK\$'000</i>
Profit attributable to shareholders	<u>31,957</u>	<u>31,957</u>	<u>29,004</u>	<u>29,004</u>
	No. of shares	No. of shares	No. of shares	No. of shares
Weighted average number of ordinary shares	<u>375,821,109</u>	<u>375,821,109</u>	<u>372,720,000</u>	<u>372,720,000</u>
Adjustment for potential dilutive ordinary shares	<u>-</u>	<u>3,778,323</u>	<u>-</u>	<u>6,082,208</u>
Weighted average number of ordinary shares used to compute earnings per share	<u>375,821,109</u>	<u>379,599,432</u>	<u>372,720,000</u>	<u>378,802,208</u>
Earnings per share	<u>8.50 (HK cents)</u>	<u>8.42 (HK cents)</u>	<u>7.78 (HK cents)</u>	<u>7.66 (HK cents)</u>

#### 15. NET ASSET VALUE

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

	Group Figures		Company Figures	
	2015	2014	2015	2014
Net asset value per ordinary share based on issued share capital of the Company at the end of the year	<u>175.76 (HK cents)</u>	<u>149.61 (HK cents)</u>	<u>86.34 (HK cents)</u>	<u>83.20 (HK cents)</u>

The net asset backing per ordinary share as at March 31, 2015 is based on the issued share capital of 376,744,800 ordinary shares (March 31, 2014: 372,720,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

#### Revenue

The Group's sales revenue had increased by 6.1% from HK\$3,196.3 million for the year ended March 31, 2014 ("FY2014") to HK\$3,392.0 million for the year ended March 31, 2015 ("FY2015").

#### Turnover by Market Segment Analysis

(in HK\$'000)

	FY2015		FY2014		Increase (Decrease)	
		%		%		%
Industrial	770,067	22.7%	779,400	24.4%	(9,333)	-1.2%
Telecommunications	650,794	19.2%	436,265	13.7%	214,529	49.2%
Dealer	495,653	14.6%	490,094	15.3%	5,559	1.1%
Home Appliance	463,904	13.6%	364,857	11.4%	99,047	27.1%
Automotive	268,436	7.9%	251,847	7.9%	16,589	6.6%
Audio and Video	253,211	7.5%	303,226	9.5%	(50,015)	-16.5%
EMS	236,316	7.0%	262,241	8.2%	(25,925)	-9.9%
Lighting	132,091	3.9%	164,179	5.1%	(32,088)	-19.5%
Others	121,525	3.6%	144,161	4.5%	(22,636)	-15.7%
	<b>3,391,997</b>	<b>100.0%</b>	<b>3,196,270</b>	<b>100.0%</b>	<b>195,727</b>	<b>6.1%</b>

In FY2015, we continued to build on our competitive strengths to increase market share in our target market segments. We registered a year-on-year increase of 6.1% in revenue to HK\$3,392.0 million. This increase was a result of our strategic investment in engineering resources, and our working closely with strong reputable principal suppliers across a range of applications to capture opportunities in the China market, which is still growing albeit more slowly than previously.

#### *Industrial*

This segment continued to be our largest contributor, with a revenue of HK\$770.1 million, representing 22.7% of Group revenue. Despite being hampered by the termination of the China government's subsidy program for energy saving appliances as well as an unstable export market, our extensive distribution coverage of this segment and our dedicated engineering resources enabled us to maintain our market share and close the year with only a marginal 1.2% dip in revenue as compared to the previous corresponding year.

We believe that the growth prospects of this segment remains positive as many governments around the world have adopted long term energy saving policies and mandates. It is therefore worthwhile for us to allocate more resources to develop new applications and solutions for this market segment.

### ***Telecommunications***

Revenue from the telecommunications segment was HK\$650.8 million, representing a strong growth of 49.2% as compared to last year. This segment benefited from the strong pick up of 4G markets in China and the increased worldwide market share for China's domestic brands. We will continue to focus our Field Application Engineer's support on these China brand manufacturers and leverage on our strong principal suppliers to provide better value-added services and more products to sustain the continuous growth in this segment.

### ***Dealer***

This segment's revenue increased 1.1% as compared to last year to HK\$495.7 million. In view of the strong competition in the market, we closely monitored and cooperated with our principal suppliers to offer specific package deals so as to drive more sales. This enabled the Group to maintain our performance and preserve our market share in this segment.

### ***Home Appliance***

Revenue from this segment was HK\$463.9 million, a strong growth of 27.1% as compared to FY2014. Although the overall domestic home appliance/white goods market in China was weak, the strong demand from the export market in small home appliances and the recovery of the US market contributed to this segment's robust growth.

Our performance in this segment was largely due to our broad coverage and market penetration which allowed us to capture available growth opportunities. We are optimistic about the positive long term prospects in this market segment as market players continue to develop products in line with the increasing consumer demand for a better lifestyle and the new trend of "smart" homes.

### ***Automotive***

This segment represented almost 8% of our total revenue and continued to maintain stable growth each year. In FY2015, it was affected by weak export demand for after-market car audio products, but on the other hand, we were able to capitalize on the stable growth of the domestic China market. As a result, total revenue for this segment increased by 6.6% as compared to FY2014. We believe that the automotive market in China will continue to expand along with increased urbanisation and the construction of highway infrastructure. We are committed to allocating long term engineering as well as marketing resources to capture the anticipated future growth in this segment.

### ***Audio and Video***

This segment continued to shrink as a result of declining demand for audio-video equipment as consumers continued to migrate towards the use of mobile devices to enjoy audio-video content. As such, this segment recorded a further decrease of 16.5% in revenue to HK\$253.2 million in FY2015.

We have re-allocated our resources to the mobile phone and wireless application segments to be in a better position to capture future opportunities in the fast changing consumer electronics market.

### ***EMS***

This segment could not maintain the growth momentum as seen in the first half of FY2015, especially during the traditionally lull season during the Chinese New Year period, when the export market was very weak. Overall, we recorded a revenue drop of 9.9% to HK\$236.3 million in FY2015. We were able to mitigate the impact of poor sales through our internal forecasting and procurement monitoring system, which enabled us to maintain a healthy stock level and reduce the risk of carrying obsolete stock.

### ***Lighting***

Revenue from this segment dropped 19.5% as compared to last year to HK\$132.1 million in FY2015. The lighting market was still in a difficult situation as the migration to LED lighting usage remained unstable. Moreover, the consumer LED lighting market has yet to mature, leading to continuous and severe price erosion. In the long run, we believe that LED will be the dominant sector within the lighting market. We will keep up our efforts in maintaining our share in this market segment, and carefully monitor the inventory level to ensure that we remain in a healthy position to beat the tough market competition.

### ***Others***

This segment covers personal computers, toys, security equipment and renewable energy applications. In line with the overall industry performance for such products, our revenue for this segment declined 15.7% as compared to last year to HK\$121.5 million.

### **Profit Margin**

There was an imbalance of supply and demand of electronic components because of the weak demand in the market, which unexpectedly turned bearish in 1H FY2015 mainly due to the slowdown in China's growth. This in turn led to downward pressure on prices and a squeeze on our gross profit margin which declined from 10.69% in 1H FY2014 to 8.44% in 1H FY2015. While this situation has been stabilized and gross profit margin improved gradually to 9.89% in 2H FY2015. Therefore the overall gross profit margin for the whole year decreased from 10.26% in FY2014 to 9.13% in FY2015.

### **Distribution costs**

Distribution costs decreased slightly by HK\$0.8 million, or 1.8%, from HK\$46.1 million for FY2014 to HK\$45.3 million for FY2015.

**Administrative expenses**

Administrative expenses decreased by HK\$5.3 million, or 2.5%, from HK\$211.5 million for FY2014 to HK\$206.2 million for FY2015.

**Other gains and losses**

Other losses of HK\$1.2 million for FY2015 were mainly due to an exchange loss offset by a reversal of allowance for doubtful trade receivables. Other gains of HK\$0.5 million for FY2014 were mainly due to an exchange gain offset by an allowance for doubtful trade receivables made.

**Finance costs**

Finance costs decreased slightly by HK\$0.3 million, or 1.5%, from HK\$17.2 million for FY2014 to HK\$16.9 million for FY2015.

**Listing expenses**

Listing expenses of HK\$26.1 million for FY2014 refers to the expenses incurred for the dual primary listing exercise on the HK Stock Exchange. The Company was successfully listed on the Main Board of the HK Stock Exchange on 6 December 2013.

**Share of (loss) profit of associates**

Share of loss of associates in FY2015 amounted to HK\$6.5 million versus share of the profit of associates of HK\$7.1 million for FY2014. Unlike the booming market in 2013 for memory products on which the associate company was focusing, the market demand became stagnant from mid-2014 while we have piled up certain inventories to meet the forecast demand. As a result, a stock provision for these inventories was made, together with more debtors provision due to slow recoverability of memory products debtors, resulting in a net loss of the associated company this year.



## **LIQUIDITY AND FINANCIAL RESOURCES**

### **Financial Position**

Compared to previous year ended March 31, 2014, the increase in trust receipt loans by HK\$65.7 million was due to the increase in purchasing activity during the current financial period. Trade and bills receivables decreased by HK\$28.8 million when compared to year ended March 31, 2014 due to decrease in sales revenue towards the end of this period. The debtors turnover days decreased from 2.3 months to 2.1 months.

As at March 31, 2015, the Group's current ratio (current assets/current liabilities) was 1.30 (March 31, 2014: 1.36)

### **Inventories**

Inventories increased from HK\$440.1 million as at March 31, 2014 to HK\$515.3 million as at March 31, 2015. The inventory turnover days increase slightly from 1.9 months to 2.0 months.

### **Cash Flow**

As at March 31, 2015, the Group had a working capital of HK\$324.0 million, which included a cash balance of HK\$306.0 million, compared to a working capital of HK\$337.9 million, which included a cash balance of HK\$219.0 million at March 31, 2014. The increase in cash by HK\$87.0 million was attributable to the net effect of cash inflow of HK\$119.2 million from financing activities and cash outflows of HK\$8.5 million in operating activities and HK\$25.2 million in investing activities.

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 operating activities was mainly attributable to the net effect of increase in inventories and increase in operating cash inflow.

Cash outflow in investing activities was mainly attributable to a further investment in the associated company in May 2014 of HK\$24.5 million. After this injection, we still maintain a 49% stake in the associated company. Till now, the associated company had a share capital of HK\$150 million, with the Company's share of contribution of HK\$73.5 million.

## Borrowing and Banking Facilities

As at March 31, 2015, bank borrowings of HK\$169.0 million (March 31, 2014: HK\$112.3 million) were unsecured and repayable in quarterly or monthly installments ending in FY2018.

Bank borrowings bore interest at a weighted average effective rate of 3.08% for fixed rate borrowing and 2.43% for variable rate borrowings as at March 31, 2015.

As at March 31, 2015 trust receipt loans were unsecured, repayable within one year and bore an effective interest rate of 1.83% to 2.79% per annum. As at March 31, 2015, the Group had unutilised banking facilities of HK\$529.0 million (March 31, 2014: HK\$725.5 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, 2015		As at March 31, 2014	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
20,610	675,466	–	553,105

### Amount repayable after one year

As at March 31, 2015		As at March 31, 2014	
Secured	Unsecured	Secured	Unsecured
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
–	–	–	–

As at March 31, 2015, trade receivables amounted to HK\$25.7 million (March 31, 2014: HK\$ nil) 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 HK\$20.6 million (March 31, 2014: HK\$ nil).

## Foreign Exchange Risk Management

The Group incurs foreign currency risk mainly on sales and purchases that are denominated in currencies other than our functional currencies. The Group is mainly exposed to the fluctuations in the United States dollar and Japanese yen against the Hong Kong dollar. However, as the Hong Kong dollar is pegged to the United States dollar, the exposure of entities that use Hong Kong dollars as their respective functional

currency to the fluctuations in the United States dollar is minimal. The major foreign currency giving rise to our foreign exchange risk is Japanese yen. 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, 2015 was 108.3% after adjusting for the revaluation of leasehold land and buildings (March 31, 2014: 102.1%). Excluding the revaluation, the gearing ratio would be 126.8%. Gearing ratio is 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 a increase in trust receipt loans from HK\$440.8 million to HK\$506.5 million and bank borrowings from HK\$112.3 million to HK\$189.6 million to cope with the increase in inventories and cash and bank balances.

### **Contingent Liabilities**

As at March 31, 2015, the Company had given corporate guarantees (unsecured) to its banks in respect of banking facilities granted to its subsidiaries. The aggregate banking facilities granted to the subsidiaries were HK\$1,225.3 million (March 31, 2014: HK\$1,294.8 million), of which HK\$699.1 million (March 31, 2014: HK\$571.1 million) was utilised and guaranteed by the Company.

As at March 31, 2015, 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\$235.9 million (March 31, 2014: HK\$216.5 million).

As at March 31, 2015, the Company had given corporate guarantees (unsecured) of HK\$167.3 million (March 31, 2014: HK\$156.4 million) to its banks in respect of banking facilities granted to its associates, of which HK\$131.4 million (March 31, 2014: HK\$112.3 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)*

Looking ahead, we expect businesses to remain challenging in the year ahead as China's GDP growth rate has been slowed down and the electronic components market is still marked by intense competition.

The Group will continue to be prudent in managing its operations while remaining its cautious posture in managing costs and maintaining a healthy liquidity position.

## **FINAL DIVIDEND**

The Board recommends the payment of a final dividend of HK6.347 cents, equivalent to approximately 1.1 Singapore cents (2014: HK6.822 cents, equivalent to approximately 1.1 Singapore cents) per ordinary share for the year ended March 31, 2015 to those shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company (the “Register of Members”) at 4:30 p.m. on August 14, 2015. The final dividend is expected to be payable on August 26, 2015 following approval by the Shareholders at the 2015 annual general meeting of the Company (the “AGM”).

In order to qualify for the final dividend, Hong Kong Shareholders must lodge all transfer documents accompanied by the relevant share certificates for registration with the Company’s Hong Kong branch share registrar and transfer office, Boardroom Share Registrars (HK) Limited, at 31/F, 148 Electric Road, North Point, Hong Kong not later than 4:30 p.m. on Friday, August 14, 2015. Any removal of the shares between the branch Registers of Members in Singapore and Hong Kong has to be made by the Shareholders no later than 5:00 p.m. on Thursday, August 6, 2015. Shareholders who hold their shares on the Hong Kong branch Register of Members will receive their final dividend payment in Hong Kong dollars; while Shareholders who hold their shares on the Singapore Register of Members will receive their final dividend payment in Singapore dollars.

For Singapore Shareholders, the Share Transfer Books and Register of Members will be closed at the close of market on Friday, August 14, 2015. Duly completed transfers received by the Company’s Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd. of 3 Anson Road, #27-01, Springleaf Tower, Singapore 079909 up to the close of market on Friday, August 14, 2015 will be registered to determine Shareholders’ entitlements to the proposed final dividend.

## **ANNUAL GENERAL MEETING**

The 2015 AGM of the Shareholders will be held on Thursday, July 30, 2015 and the Notice of AGM will be published and despatched to the Shareholders in due course.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at March 31, 2015, the Group had a workforce of 480 full-time employees (2014: 517), of which 36.9% worked in Hong Kong, 59.0% 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, 2015, 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, 2015, the Company has complied with 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:

- (i) Code provision A.4.1 of the HK CG Code stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. None of the existing independent non-executive Directors (the "INEDs") is appointed for a specific term. This constitutes a deviation from the above code provision; and
- (ii) All the Directors except the managing director of the Company (the "Managing Director") are subject to retirement by rotation at each AGM under the Bye-Laws of the Company (the "Bye-Laws"). This constitutes a deviation from code provision A.4.2 of 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 among the HK Listing Rules and the Bye-Laws, the Company would comply with the more onerous provisions. Therefore, 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. 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 the INEDs).

## **COMPLIANCE WITH HONG KONG MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Companies (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, 2015.

## **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 Listing Manual of Singapore Exchange Securities Trading Limited. 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 annual results and the Company’s annual report for the year ended March 31, 2015 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 Group’s 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, 2015 is attached as Appendix 1.

## **PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED, THE COMPANY AND SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited (the “HKEx”) at [www.hkex.com.hk](http://www.hkex.com.hk), the website of the Company at [www.willas-array.com](http://www.willas-array.com) and the website of Singapore Exchange Securities Trading Limited at [www.sgx.com](http://www.sgx.com). The annual report of the Company for the year ended March 31, 2015 will be dispatched to the Shareholders and published on the respective websites of the HKEx 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, 2014.

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). 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*

<b>Group</b>			
	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>	Increase/ (Decrease) %
(a) Sales reported for first half year	<b>1,779,351</b>	1,628,996	9.2%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	<b>11,084</b>	21,406	-48.2%
(c) Sales reported for second half year	<b>1,612,646</b>	1,567,274	2.9%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	<b>19,131</b>	3,981	380.6%

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

	<b>Total Annual Dividend</b>	
	<b>Latest Full Year</b>	Previous Full Year
	<i>HK\$'000</i>	<i>HK\$'000</i>
Ordinary	<b>23,912</b>	25,702
Preference	<b>0</b>	0
Total:	<b>23,912</b>	25,702

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.*

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Leung Chi Hang, Daniel	39	Eldest son of Leung Chun Wah, the Chairman, an Executive Director and 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 Company.	During the year ended March 31, 2015, he held the position of General Manager for Information Technology and Logistics since September 1, 2008.

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

Hong Kong, May 29, 2015

*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, 2015 is as follows:

### **INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED For the financial year ended March 31, 2015**

#### **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 88\*, which comprise the statement of financial position of the company and consolidated statement of financial position as at March 31, 2015, 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 consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, 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 accompanying 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 give a true and fair view of the state of affairs of the Group and the Company as at March 31, 2015, and of the Group's profit and cash flows for the year then ended in accordance with the International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

May 29, 2015

\* *Refer to the pages in the audited financial statements.*