

WILLAS-ARRAY ELECTRONICS (HOLDINGS) LIMITED

Full Year Financial Statement And Dividend Announcement For The Year Ended March 31, 2014

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

Group Income Statement for the year ended March 31, 2014. These figures have not been audited.

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

	2014	2013	Increase (Decrease)
	HK\$'000	HK\$'000	%
Revenue	3,196,270	3,157,597	1.2
Cost of sales	<u>(2,868,473)</u>	<u>(2,851,940)</u>	0.6
Gross profit	327,797	305,657	7.2
Other operating income	4,216	4,635	(9.0)
Distribution costs	(46,115)	(30,112)	53.1
Administrative expenses	(211,524)	(217,936)	(2.9)
Listing expenses	(26,055)	--	
Share of profit of associates	7,128	808	782.2
Other gains and losses	471	7,623	(93.8)
Amortisation of financial guarantee liabilities	1,523	--	NM
Finance costs	<u>(17,202)</u>	<u>(16,232)</u>	6.0
Profit before tax	40,239	54,443	(26.1)
Income tax expense	<u>(14,852)</u>	<u>(13,144)</u>	13.0
Profit for the year	<u>25,387</u>	<u>41,299</u>	(38.5)
Other comprehensive income (expense):			
Exchange difference on translation of overseas operations	<u>3,253</u>	<u>(377)</u>	962.9
Other comprehensive income (expense) for the year, net of tax	<u>3,253</u>	<u>(377)</u>	962.9
Total comprehensive income for the year	<u>28,640</u>	<u>40,922</u>	(30.0)
Profit attributable to:			
Owners of the Company	29,004	45,838	(36.7)
Non-controlling interests	<u>(3,617)</u>	<u>(4,539)</u>	(20.3)
	<u>25,387</u>	<u>41,299</u>	(38.5)
Total comprehensive income attributable to:			
Owners of the Company	32,250	45,458	(29.1)
Non-controlling interests	<u>(3,610)</u>	<u>(4,536)</u>	(20.4)
	<u>28,640</u>	<u>40,922</u>	(30.0)
NM: Not Meaningful			

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

	2014	2013
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	11,636	12,250
Amortisation of prepaid lease payment	12	12
(Reversal of) allowance for inventories	(8,452)	6,048
Allowance for (reversal of) doubtful trade receivables	6,665	(5,537)
Gain on disposal of property, plant and equipment	--	(98)
Foreign exchange gain, net	(5,151)	(382)
Net gain on fair value changes of derivative financial instruments	(1,985)	(1,607)
Interest income	(1,253)	(2,314)

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

	The Group		The Company	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
ASSETS				
Current assets:	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash and bank balances	218,977	390,395	2,925	1,816
Restricted bank deposits	7,296	7,161	--	--
Trade and bills receivables	602,266	503,125	--	--
Other receivables and prepayments	6,994	11,318	149,733	215,627
Prepaid lease payment - current	12	12	--	--
Income tax recoverable	1,338	62	168	--
Derivative financial instruments	--	136	--	--
Inventories	440,067	353,561	--	--
Total current assets	1,276,950	1,265,770	152,826	217,443
Non-current assets:				
Other receivables – non-current	--	--	49,000	--
Prepaid lease payment – non-current	607	619	--	--
Property, plant and equipment	157,128	162,278	--	--
Long-term deposits	427	1,683	--	--
Available-for-sale investments	2,001	2,001	--	--
Interests in associates	59,172	49,809	2,183	--
Deferred tax assets	339	259	--	--
Investments in subsidiaries	--	--	117,470	117,470
Total non-current assets	219,674	216,649	168,653	117,470
Total assets	1,496,624	1,482,419	321,479	334,913
LIABILITIES AND EQUITY				
Current liabilities:				
Trust receipt loans	440,805	421,473	--	--
Trade and bills payables	339,535	295,400	--	--
Other payables	40,663	38,226	10,701	9,944
Income tax payable	4,833	4,548	--	189
Derivative financial instruments	268	--	--	--
Financial guarantee liabilities	660	--	660	--
Bank borrowings	112,300	168,300	--	--
Total current liabilities	939,064	927,947	11,361	10,133
Non-current liabilities:				
Derivative financial instruments	--	2,389	--	--
Deferred tax liabilities	2,791	2,611	--	--
Total non-current liabilities	2,791	5,000	--	--
Capital, reserves and non-controlling interests:				
Issued capital	74,544	74,544	74,544	74,544
Capital reserves	195,716	196,500	195,716	196,500
Other reserves	287,356	277,177	39,858	53,736
Equity attributable to owners of the Company	557,616	548,221	310,118	324,780
Non-controlling interests	(2,847)	1,251	--	--
Total equity	554,769	549,472	310,118	324,780
Total liabilities and equity	1,496,624	1,482,419	321,479	334,913

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

Amount repayable in one year or less, or on demand

As at 31/03/2014		As at 31/03/2013	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
0	553,105	0	589,773

Amount repayable after one year

As at 31/03/2014		As at 31/03/2013	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
0	0	0	0

Details of any collateral

Not applicable.

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

Operating activities:	2014	2013
	HK\$'000	HK\$'000
Profit before tax	40,239	54,443
Adjustments for:		
Depreciation expense	11,636	12,250
Amortisation of prepaid lease payments	12	12
Interest expense	17,202	16,232
(Reversal of) allowance for inventories	(8,452)	6,048
Allowance for (reversal of) doubtful trade receivables	6,665	(5,537)
Gain on disposal of property, plant and equipment	--	(98)
Net gain on fair value changes of derivative financial instruments	(1,985)	(1,607)
Share of profit of associates	(7,128)	(808)
Amortisation of financial guarantee liabilities	(1,523)	--
Interest income	(1,253)	(2,314)
Operating cash flows before movements in working capital	<u>55,413</u>	<u>78,621</u>
(Increase) decrease in trade and bills receivables	(103,678)	10,357
Decrease (increase) in other receivables and prepayments	4,342	(4,463)
Increase in inventories	(77,933)	(13,429)
Increase (decrease) in trade and bills payables	43,667	(11,617)
Increase (decrease) in other payables	3,035	(10,879)
Decrease in long-term deposits	1,256	78
Cash (used in) generated from operations	<u>(73,898)</u>	<u>48,668</u>
Income tax paid	(15,737)	(8,261)
Interest paid	(17,932)	(15,484)
Interest received	1,253	2,314
Net cash (used in) from operating activities	<u>(106,314)</u>	<u>27,237</u>
Investing activities:		
Purchase of property, plant and equipment	(3,877)	(2,330)
(Increase) decrease in restricted bank deposits	(135)	20,095
Proceeds from disposal of property, plant and equipment	--	143
Dissolution of subsidiary (Note)	(488)	--
Acquisition of investment in associates	--	(49,000)
Net cash used in investing activities	<u>(4,500)</u>	<u>(31,092)</u>
Financing activities:		
Dividend paid to shareholders	(22,855)	(29,499)
Repayment of trust receipt loans	(1,829,725)	(1,489,893)
Proceeds from trust receipt loans	1,849,057	1,605,365
Repayment of bank borrowings	(153,000)	(102,299)
Proceeds from bank borrowings	97,000	76,416
Net cash (used in) from financing activities	<u>(59,523)</u>	<u>60,090</u>
Net (decrease) increase in cash and cash equivalents	(170,337)	56,235
Cash and cash equivalents at beginning of year	390,395	333,258
Effects of exchange rate changes on balance of cash held in foreign currencies	(1,081)	902
Cash and cash equivalents at end of year	<u><u>218,977</u></u>	<u><u>390,395</u></u>

Note: During the year, 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.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Issued capital HK\$'000	Capital reserves HK\$'000	Statutory reserve HK\$'000 (Note)	Currency translation reserve HK\$'000	Accumulated profits HK\$'000	Attributable to owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
THE GROUP								
Balance at 01/04/2012	74,544	196,722	13,380	17,890	229,726	532,262	5,787	538,049
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	45,838	45,838	(4,539)	41,299
Other comprehensive loss for the year, net of income tax	-	-	-	(380)	-	(380)	3	(377)
Total	-	-	-	(380)	45,838	45,458	(4,536)	40,922
Transactions with owners, recognised directly in equity:								
Share options cancelled	-	(222)	-	-	222	-	-	-
Dividend paid	-	-	-	-	(29,499)	(29,499)	-	(29,499)
Transfer to statutory reserve	-	-	755	-	(755)	-	-	-
Total	-	(222)	755	-	(30,032)	(29,499)	-	(29,499)
Balance at 31/03/2013	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	-	(784)	-	-	784	-	-	-
Dividend paid	-	-	-	-	(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 31/03/2014	74,544	195,716	16,480	20,756	250,120	557,616	(2,847)	554,769

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.

	<u>Issued capital</u> HK\$'000	<u>Capital reserves</u> HK\$'000	<u>Accumulated profits</u> HK\$'000	<u>Total</u> HK\$'000
<u>THE COMPANY</u>				
Balance at 01/04/2012	74,544	196,722	65,974	337,240
Profit for the year, representing total comprehensive income for the year	-	-	17,039	17,039
Transactions with owners, recognised directly in equity:				
Share options cancelled	-	(222)	222	-
Dividends paid	-	-	(29,499)	(29,499)
Total	-	(222)	(29,277)	(29,499)
Balance at 31/03/2013	<u>74,544</u>	<u>196,500</u>	<u>53,736</u>	<u>324,780</u>
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	-	(784)	784	-
Dividends paid	-	-	(22,855)	(22,855)
Total	-	(784)	(22,071)	(22,855)
Balance at 31/03/2014	<u><u>74,544</u></u>	<u><u>195,716</u></u>	<u><u>39,858</u></u>	<u><u>310,118</u></u>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the financial year, there was no change in the Company's issued share capital.

At March 31, 2014, the total number of ordinary share options was 18,532,800 (2013: 22,138,800). 3,006,000 (2013: 840,000) share options were cancelled upon resignation of the holders during the year while 600,000 (2013: 6,888,000) share options were lapsed upon expiry of the exercise period.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at March 31, 2014, the total number of issued shares of the Company was 372,720,000 ordinary shares (2013: 372,720,000). The Company has no treasury shares.

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

Not applicable.

- 2. Whether the figures have been audited or reviewed, and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The figures, prepared in accordance with International Financial Reporting Standards, have been audited by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter) must be set out.**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

In this current financial year, the Group has adopted all the new and revised International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC") of the IASB that are relevant to its operations and effective for annual periods beginning on or after April 1, 2013.

The accounting policies adopted and methods of computation used are consistent with those followed in the preparation of the Group's audited financial statements for the year ended March 31, 2013 and the adoption of these new/revised IFRSs and IFRIC does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior periods.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

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

	Group Figures			
	2014		2013	
	Basic HK\$'000	Diluted HK\$'000	Basic HK\$'000	Diluted HK\$'000
Profit attributable to shareholders	29,004	29,004	45,838	45,838
	No. of shares	No. of shares	No. of shares	No. of shares
Number of ordinary shares	372,720,000	372,720,000	372,720,000	372,720,000
Adjustment for potential dilutive ordinary shares	–	6,082,208	–	5,760,642
Number of ordinary shares used to compute earnings per share	372,720,000	378,802,208	372,720,000	378,480,642
Earnings per share	7.78 (HK cents)	7.66 (HK cents)	12.30 (HK cents)	12.11 (HK cents)

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

	Group Figures		Company Figures	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Net asset value per ordinary share based on issued share capital of the Company at the end of the year	149.61 (HK cents)	147.09 (HK cents)	83.20 (HK cents)	87.14 (HK cents)

The net asset value per ordinary share as at March 31, 2014 is based on the issued share capital of 372,720,000 ordinary shares (March 31, 2013: 372,720,000).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Business Review

The Group's sales revenue dropped by 2.3% in the first half year of FY2014 when compared to the same period in FY2013 which was primarily due to the gradual transfer of Toshiba-related business to GW Electronics Company Limited with operation commenced in January 2013. The second half year had an increase of 5.2% growth when compared to the same period in FY2013 which was mainly due to the effort by our sales and marketing workforce. As such our overall sales revenue had increased by 1.2% to HK\$3,196.3 million (2013: HK\$3,157.6 million).

Due to improvement of stabilizing market conditions where we were no longer required to offer highly competitive pricing for clearance of our inventories, our margin had increased from 9.68% for FY2013 to 10.26% for FY2014.

Distribution costs increased by HK\$16.0 million, or 53.1%, from HK\$30.1 million for FY2013 to HK\$46.1 million for FY2014. The increase in distribution costs were mainly attributable to the reversal of sales incentive provision for sales people as a result of the decline in sales in FY2013 versus a normal accrued sales incentive for the same period in FY2014.

Administrative expenses stood at a similar level of HK\$211.5 million for FY2014 (2013: HK\$217.9 million).

Other gains of HK\$0.5 million for FY2014 was mainly due to an exchange gain offset by an allowance for doubtful trade receivables made in FY2014 while other gains in FY2013 was mainly attributable to the reversal of allowance for doubtful trade receivables.

Finance costs increased by HK\$1.0 million, or 6.0%, from HK\$16.2 million for the FY2013 to HK\$17.2 million for FY2014. It was mainly due to increase of trust receipt loans when compared to previous year.

Listing expenses of HK\$26.1 million for FY2014 refers to the expenses incurred for the dual primary listing exercise in The Stock Exchange of Hong Kong Limited ("SEHK"). The Company was successfully listed on the Main Board of SEHK on 6 December 2013 under stock code 854 and in board lots of 5,000 shares.

Share of profit of associates of HK\$7.1 million refers to the investment in an associated company named GW Electronics Company Limited in November 2012 to engage in the distribution of Toshiba brand electronic components in the PRC and Hong Kong. This associated company is 49% and 51% owned respectively by the Company and G.M.I. Technology Inc. ("G.M.I."), a company listed on the Taiwan Stock Exchange.

Financial Position

Compared to FY2013, the increase in trust receipt loans and trade and bills payables by HK\$63.5 million were due to the increase in purchasing activity in the current financial period. Trade debtors increased by HK\$99.1 million was due to increase in sales revenue towards the end of this period when compared to FY2013. The debtors turnover days increased from 1.9 months to 2.3 months.

Inventories increased from HK\$353.6 million as at March 31, 2013 to HK\$440.1 million as at March 31, 2014. Our inventory turnover days increased from 1.5 months to a more normal turnover period of 1.9 months over last year.

Cash Flow

As at March 31, 2014, the Group had a working capital of HK\$337.9 million, which included a cash balance of HK\$219.0 million, compared to a working capital of HK\$337.8 million, which included a cash balance of HK\$390.4 million at March 31, 2013. The decrease in cash by HK\$171.4 million was attributable to the net effect of cash outflow of HK\$106.3 million in operating activities, HK\$4.5 million in investing activities and HK\$59.5 million in financing activities.

Cash outflow in operating activities was mainly attributable to the increase in inventories and trade receivables towards the end of the period under review.

Cash outflow from financing activities was attributable to repayment of bank loans in FY2014.

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

Not applicable. No prospect statement was previously disclosed in the half year announcement for the financial period ended September 30, 2013.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Looking ahead, we expect the overall global economy will recover steadily as the US economy showed gradual improvement and signs of stability emerged across major economies in the Eurozone area. However we remain cautious as the market is still marked by intense competition, together with volatility in raw material prices, foreign currency fluctuations, rising staff cost and inflation in China, all these would have an adverse impact on the economic recovery.

The Company will continue to be prudent in managing its operations while maintaining a healthy liquidity position.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend :	First & Final
Dividend Type :	Cash
Dividend Rate :	HK\$0.06822 per ordinary share (equivalent to S\$0.011)
Par value of shares :	HK\$0.20 each
Tax Rate :	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend :	First & Final
Dividend Type :	Cash
Dividend Rate :	HK\$0.06132 per ordinary share (equivalent to S\$0.01)
Par value of shares :	HK\$0.20 each
Tax Rate :	Not applicable

(c) Date payable

The proposed first and final dividends, if approved by shareholders of the Company at the Annual General Meeting to be held on July 31, 2014, will be payable on August 22, 2014.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer books and Register of Members of the Company will be closed at the close of market on August 11, 2014. Duly completed transfers received by the Company's Share Transfer Agent, Intertrust Singapore Corporate Services Pte. Ltd. of 3 Anson Road, #27-01, Springleaf Tower, Singapore 079909 up to the close of market on August 11, 2014 will be registered to determine shareholders' entitlements to the proposed dividend.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The following is an analysis of the Group's information by operating segment:

	Trading of electronic components				Trading and design of integrated circuits	Elimination	Total
	Southern China Region	Northern China Region	Taiwan	Sub-total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2014							
Revenue							
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)	–
Net sales	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
Gross profit	179,756	122,860	9,448	312,064	13,230	2,503	327,797
Segment result	38,979	31,878	1,377	72,234	(11,568)	2,503	63,169
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 expense							(14,852)
Profit for the year							25,387
Non-controlling interests							3,617
Profit attributable to owners of the Company							29,004

2013

	Trading of electronic components				Trading and design of 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	1,951,577	1,079,915	104,696	3,136,188	21,409	–	3,157,597
Sales - inter-company	421,403	205,897	27,530	654,830	32,544	(687,374)	–
Net sales	<u>2,372,980</u>	<u>1,285,812</u>	<u>132,226</u>	<u>3,791,018</u>	<u>53,953</u>	<u>(687,374)</u>	<u>3,157,597</u>
Cost of sales	<u>2,192,319</u>	<u>1,195,670</u>	<u>118,780</u>	<u>3,506,769</u>	<u>29,777</u>	<u>(684,606)</u>	<u>2,851,940</u>
Gross profit	<u>180,661</u>	<u>90,142</u>	<u>13,446</u>	<u>284,249</u>	<u>24,176</u>	<u>(2,768)</u>	<u>305,657</u>
Segment result	<u>47,455</u>	<u>17,378</u>	<u>4,914</u>	<u>69,747</u>	<u>(8,510)</u>	<u>(2,768)</u>	<u>58,469</u>
Unallocated other revenue							527
Unallocated corporate expenses							(5,361)
Share of profit of associates							808
Profit before tax							54,443
Income tax expense							(13,144)
Profit for the year							41,299
Non-controlling interests							4,539
Profit attributable to owners of the Company							<u>45,838</u>

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

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

16. A breakdown of sales

Group

		2014 HK\$'000	2013 HK\$'000	Increase/ (Decrease) %
(a)	Sales reported for first half year	1,628,996	1,667,356	(2.3%)
(b)	Operating profit after tax before deducting non-controlling interests reported for first half year	21,406	21,740	(1.5%)
(c)	Sales reported for second half year	1,567,274	1,490,241	5.2%
(d)	Operating profit after tax before deducting non-controlling interests reported for second half year	3,981	19,559	(79.6%)

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

	Total Annual Dividend	
	Latest Full Year HK\$'000	Previous Full Year HK\$'000
Ordinary	25,428	22,855
Preference	0	0
Total:	25,428	22,855

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Daniel Leung Chi Hang	38	Eldest son of Mr Leung Chun Wah, the Chairman and Substantial Shareholder of the Company.	General Manager for Information Technology and Logistics with effect from September 1, 2008. He is responsible for overseeing the Information Technology and Logistics functions of the Company.	No change

BY ORDER OF THE BOARD

Leung Chun Wah
Chairman

May 30, 2014