

VALUETRONICS HOLDINGS LIMITED

(Incorporated in Bermuda)

(Co. Reg. No: 38813)

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2010**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.****Consolidated Income Statement for the year ended 31 March 2010**

	The Group		
	Year ended 31 March		
	2010	2009	Change
	HK\$'000	HK\$'000	%
Revenue	1,136,124	960,059	18.3
Cost of Sales	(958,785)	(792,578)	21.0
Gross Profit	177,339	167,481	5.9
Other income	5,590	4,012	39.3
Selling and distribution costs	(42,426)	(22,070)	92.2
Administrative expenses	(63,864)	(66,652)	-4.2
Net other operating loss	(9,976)	(22,723)	-56.1
Profit From Operations	66,663	60,048	11.0
Finance costs	(606)	(491)	23.4
Profit Before Tax	66,057	59,557	10.9
Income tax expense	(7,282)	(6,493)	12.2
Profit for the year	58,775	53,064	10.8
Attributable to:			
Owners of the Company	58,775	53,064	10.8
Minority interests	-	-	-

Consolidated Statement of Comprehensive Income for the year ended 31 March 2010

	The Group		
	Year ended 31 March		
	2010	2009	Change
	HK\$'000	HK\$'000	%
Profit for the year	58,775	53,064	10.8
Other comprehensive income:			
Exchange differences on translating foreign operations	57	4,343	-98.7
Net fair value changes of available-for-sale financial assets	1,577	(2,061)	-176.5
Other comprehensive income for the year, net of tax	1,634	2,282	-28.4
Total comprehensive income for the year	60,409	55,346	9.1
Total comprehensive income attributable to:			
Owners of the Company	60,409	55,346	9.1
Minority interests	-	-	-

Note:

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

	The Group	
	Year ended 31 March	
	2010	2009
	HK\$'000	HK\$'000
Depreciation (Note 1)	23,676	20,460
Amortisation of prepaid land lease payments and land use rights	477	476
Gain on disposals of property, plant and equipment	(318)	(70)
Allowance for doubtful debts (Note 2)	9,976	8,703
Interest income (Note 3)	(825)	(2,548)
Interest expenses	1	8
Bank charges	605	483
Net exchange (gain)/loss (Note 4)	(248)	3,722
Impairment loss recognised in respect of flash floods that occurred on 13 June 2008 at the Danshui plant	-	10,000
Impairment of goodwill (Note 5)	-	4,020

Note 1: Higher depreciation in FY2010 mainly due to full year depreciation effects on the Daya Bay factory sites and additions from the new capital expenditures during the year.

Note 2: Both FY2010 and FY2009 allowances mainly were provided for the same customer who had experienced working capital distress since the economic turmoil started in 2008. No further allowance is required as of the date of this announcement.

Note 3: Lower interest income mainly due to lesser placement of principal protected structured deposits for liquidity purposes and lower interest rates offered by the financial institutions during the year subsequent to the financial crisis.

Note 4: During the year, the Group had adopted the approach to reflect the strengthened Japanese Yen at mark-to-market rates on monthly basis since Dec 09 as compared to the accounting of payables at historical rates on quarterly basis in FY2009. While the adoption of higher Renminbi book exchange rates than the actual transactions rates had resulted in the net exchange gain during the year.

Note 5: FY2009 goodwill impairment was in respect of full provision on the acquisition of medical equipment business based on prudent assessment by the Board.

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

Statements of Financial Position as at 31 March 2010

	The Group		The Company	
	At 31.3.2010	At 31.3.2009	At 31.3.2010	At 31.3.2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets				
Prepaid land lease payments and land use rights	24,088	24,565	-	-
Property, plant and equipment	164,602	160,068	-	-
Investments in subsidiaries	-	-	83,330	83,330
Club membership, at cost	200	200	-	-
Long term receivables	920	1,610	-	-
Goodwill	10	-	-	-
	189,820	186,443	83,330	83,330
Current assets				
Available-for-sale financial assets (Note 1)	15,116	13,539	-	-
Inventories	129,882	67,074	-	-
Trade receivables	273,663	102,419	-	-
Prepaid land lease payments and land use rights	545	545	-	-
Prepayments, deposits and other receivables	17,771	10,200	34	-
Long term receivables – current portion (Note 2)	575	1,150	-	-
Due from subsidiaries	-	-	155,883	132,941
Current tax assets	-	3,209	-	-
Bank and cash balances	139,909	153,483	291	258
	577,461	351,619	156,208	133,199
Total assets	767,281	538,062	239,538	216,529
Current liabilities				
Trade payables	229,773	77,221	-	-
Accruals, other payables and deposits received	155,969	129,746	313	573
Bank overdraft	10	-	-	-
Current tax liabilities	8,263	4,478	-	-
	394,015	211,445	313	573
Non-current liabilities				
Deferred tax liabilities	2,984	3,126	-	-
Total liabilities	396,999	214,571	313	573
	370,282	323,491	239,225	215,956
Equity attributable to owners of the Company				
Share capital	35,500	35,500	35,500	35,500
Treasury share	(1,853)	(2,176)	(1,853)	(2,176)
Reserves	336,635	290,180	205,578	182,632
	370,282	323,504	239,225	215,956
Minority interests	-	(13)	-	-
Total equity	370,282	323,491	239,225	215,956

Note 1: Available-for-sale financial assets are measured at fair value.

Note 2: Allowance for doubtful debts of HK\$460,000 was made for potential payment default by the vocational schools.

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

Amount repayable in one year or less, or on demand

As at 31 March 2010		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
10	nil	nil	nil

Amount repayable after one year

As at 31 March 2010		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
nil	nil	nil	nil

Details of any collateral

None

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

Consolidated Statement of Cash Flows for the year ended 31 March 2010

	The Group	
	Year ended 31 March	
	2010	2009
	HK\$'000	HK\$'000
Cash flows from operating activities		
Profit before tax	66,057	59,557
Adjustments for :		
Amortisation of prepaid land lease payments and land use rights	477	476
Share-based payments expenses	2,210	441
Depreciation	23,676	20,460
Gain on disposals of property, plant and equipment	(318)	(70)
Allowance for doubtful debts	9,976	8,703
Impairment of goodwill	-	4,020
Interest expenses	1	8
Interest income	(825)	(2,548)
Operating profit before working capital changes	101,254	91,047
Decrease/(Increase) in long term receivables	862	(55)
(Increase)/Decrease in inventories	(62,808)	43,304
(Increase)/Decrease in trade receivables	(180,760)	24,455
Increase in prepayments, deposits and other receivables	(7,787)	(3,896)
Increase/(Decrease) in trade payables	152,552	(43,344)
Increase/(Decrease) in accruals, other payables and deposits received	26,223	(6,592)
Cash generated from operations	29,536	104,919
Income tax paid	(430)	(10,105)
Interest paid	(1)	(8)
Net cash generated from operating activities	29,105	94,806
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,010)	(80,016)
Purchase of available-for-sale financial assets (Note 1)	(11,625)	(39,000)
Proceeds from disposals of available-for-sale financial assets	11,625	27,250
Acquisition of a subsidiary	(10)	(4,000)
Proceeds from disposal of property, plant and equipment	334	70
Interest received	825	2,548
Net cash used in investing activities	(26,861)	(93,148)
Cash flows from financing activities		
Dividend paid	(15,828)	(27,690)
Purchase of treasury shares	-	(2,176)
Net cash used in financing activities	(15,828)	(29,866)
Net decrease in cash and cash equivalents	(13,584)	(28,208)
Cash and cash equivalents at beginning of the year	153,483	181,691
Cash and cash equivalents at end of the year	139,899	153,483

Note 1: Being placements of principal protected deposits.

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.

Statements of Changes in Equity

The Group	Attributable to the owners of the Company												
	Share capital	Treasury shares	Reserves							Total reserves	Total	Minority Interests	Total equity
			Share premium	Share-based payment reserve	Translation reserve	Statutory reserve (note 1)	Investment revaluation reserve	Retained earnings					
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance at 1 April 2009	35,500	(2,176)	85,591	571	10,484	242	(2,061)	195,353	290,180	323,504	(13)	323,491	
Total comprehensive income for the year	-	-	-	-	57	-	1,577	58,775	60,409	60,409	-	60,409	
Share-based payments	-	-	-	2,210	-	-	-	-	2,210	2,210	-	2,210	
Transfer to statutory reserve	-	-	-	-	-	141	-	(141)	-	-	-	-	
Transfer	-	-	-	-	-	-	-	(13)	(13)	(13)	13	-	
Issue of treasury share as awards	-	323	-	(323)	-	-	-	-	(323)	-	-	-	
Final dividend paid in respect of the previous financial year	-	-	-	-	-	-	-	(15,828)	(15,828)	(15,828)	-	(15,828)	
Balance at 31 March 2010	35,500	(1,853)	85,591	2,458	10,541	383	(484)	238,146	336,635	370,282	-	370,282	
Balance at 1 April 2008	35,500	-	85,591	130	6,141	94	-	170,127	262,083	297,583	-	297,583	
Total comprehensive income for the year	-	-	-	-	4,343	-	(2,061)	53,064	55,346	55,346	-	55,346	
Share-based payments	-	-	-	441	-	-	-	-	441	441	-	441	
Transfer to statutory reserve	-	-	-	-	-	148	-	(148)	-	-	-	-	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	(13)	(13)	
Final dividend paid in respect of the previous financial year	-	-	-	-	-	-	-	(27,690)	(27,690)	(27,690)	-	(27,690)	
Purchase of treasury shares	-	(2,176)	-	-	-	-	-	-	-	(2,176)	-	(2,176)	
Balance at 31 March 2009	35,500	(2,176)	85,591	571	10,484	242	(2,061)	195,353	290,180	323,504	(13)	323,491	

The Company	Reserves							Total
	Share capital	Treasury shares	Share premium	Share-based payment reserve	Contributed surplus	Retained earnings	Total reserves	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2009	35,500	(2,176)	85,591	571	67,239	29,231	182,632	215,956
Total comprehensive income for the year	-	-	-	-	-	36,887	36,887	36,887
Share-based payments	-	-	-	2,210	-	-	2,210	2,210
Issue of treasury share as awards	-	323	-	(323)	-	-	(323)	-
Final dividend paid in respect of the previous financial year	-	-	-	-	-	(15,828)	(15,828)	(15,828)
Balance at 31 March 2010	35,500	(1,853)	85,591	2,458	67,239	50,290	205,578	239,225
Balance at 1 April 2008	35,500	-	85,591	130	67,239	27,697	180,657	216,157
Total comprehensive income for the year	-	-	-	-	-	29,224	29,224	29,224
Share-based payments	-	-	-	441	-	-	441	441
Final dividend paid in respect of the previous financial year	-	-	-	-	-	(27,690)	(27,690)	(27,690)
Purchase of treasury shares	-	(2,176)	-	-	-	-	-	(2,176)
Balance at 31 March 2009	35,500	(2,176)	85,591	571	67,239	29,231	182,632	215,956

Note 1: The statutory reserve of the Group refers to the PRC statutory reserve fund. Appropriations to such reserve fund are made out of profit after tax as recorded in the statutory financial statements of the PRC subsidiaries. The amount should not be less than 10% of the profit after tax as recorded in the statutory financial statements unless the aggregate amount exceeds 50% of the registered capital of the PRC subsidiaries. The statutory reserve can be used to make up prior years' losses of the PRC subsidiaries.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, repurchase of shares, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital since the end of the previous period reported on. As at 31 March 2010, the share capital of the Company comprises 355,000,000 shares.

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

Employee Share Option Scheme ("ESOS")	Exercise Price	Balance as at 31.3.2009	Additions	Options cancelled (Note 5)	Balance as at 31.3.2010
(a) Incentive Options	S\$0.225	800,000	-	-	800,000
(Note 1)	S\$0.175	900,000	-	-	900,000
(Note 2)	S\$0.144	2,400,000	-	-	2,400,000
(Note 3)	S\$0.105	-	2,750,000	-	2,750,000
(b) Market Options (Note 4)	S\$0.215	1,000,000	-	-	1,000,000
Total		5,100,000	2,750,000	-	7,850,000

As at 31 March 2009, the Company has the following outstanding share options:

Employee Share Option Scheme ("ESOS")	Exercise Price	Balance as at 31.3.2008	Additions	Options cancelled (Note 5)	Balance as at 31.3.2009
(a) Incentive Options	S\$0.225	1,000,000	-	200,000	800,000
(Note 1)	S\$0.175	-	900,000	-	900,000
(Note 2)	S\$0.144	-	2,400,000	-	2,400,000
(b) Market Options (Note 4)	S\$0.215	-	1,000,000	-	1,000,000
Total		1,000,000	4,300,000	200,000	5,100,000

As at 31 March 2010, 2,797,000 shares were held as treasury shares (31 March 2009:3,277,000 shares)

Notes:

- (1) The Incentive Options were issued at 18.6% discount of the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding 8 July 2008, the date of grant of the Options.
- (2) The Incentive Options were issued at 19.6% discount of the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding 27 August 2008, the date of grant of the Options.
- (3) The Incentive Options were issued at 16.7% discount of the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding 12 August 2009, the date of grant of the Options.
- (4) The Market Options were issued at the market price which was equal to the average of the last dealt prices on the Official List of the SGX-ST for the five consecutive Market Days immediately preceding 8 July 2008, the date of grant of the Options.
- (5) Cancelled due to resignation of staff.

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

Issued Ordinary Shares	Number of Shares	
	As at 31.3.2010	As at 31.3.2009
Total number of issued shares	355,000,000	355,000,000
Total number of treasury shares	(2,797,000)	(3,277,000)
Total number of issued shares excluding treasury shares	352,203,000	351,723,000

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

	Number of Shares
Total number of treasury shares as at 31 March 2009	3,277,000
Transferred to employees to fulfil obligations under Performance Share Plan	(480,000)
Total number of treasury shares as at 31 March 2010	2,797,000

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

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

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

Not applicable.

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

Except as disclosed under note 5, the Group has adopted the same accounting policies and methods of computation for the current reporting period as those used in preparing the audited consolidated financial statements for the year ended 31 March 2009.

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

In current period, the Group and the Company have adopted the following new and revised International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") that were effective from 1 January 2009.

IAS 1 (Revised)	Presentation of Financial Statements
IFRS 8	Operating Segments

The adoption of the above IFRS and IAS did not result in any substantial change to the Group's and the Company's accounting policies nor any significant impact on the financial statement.

The main impact from the application of IAS 1 (Revised) related to a change of presentation of all non-owner changes in the equity in a Statement of Comprehensive Income. This change does not affect the recognition and measurement of the entity's transactions. The 'Balance Sheets' and 'Consolidated Cash Flow Statement' have been re-titled to 'Statements of Financial Position' and 'Consolidated Statement of Cash Flows' respectively.

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

	The Group	
	Year ended 31 March 2010	Year ended 31 March 2009
Earnings per ordinary share for the period based on the net profit for the period		
(a) Based on weighted average number of ordinary shares on issue; and	HK16.7 cents	HK 15.0 cents
(b) On a fully diluted basis	N/A	N/A
Number of ordinary shares in issue (excluding treasury shares)		
Weighted average number of ordinary shares for the purpose of basic earnings per share	352,007,055	353,456,145
Effect of potentially dilutive ordinary shares – Share options	N/A	N/A
Weighted average number of ordinary shares	352,007,055	353,456,145

Notes

The calculation of basic earnings per share for the year ended 31 March 2010 is based on profit attributable to owners of the Company of approximately HK\$58.8 million (31 March 2009: HK\$53.1 million) divided by the weighted average number of ordinary shares of 352,007,055 (31 March 2009: 353,456,145) in issue during the year.

There were no diluted earnings per share for both the year ended 31 March 2010 and 31 March 2009 as there were no dilutive shares for these years.

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

	The Group		The Company	
	31.3.2010	31.03.2009	31. 3.2010	31.03.2009
	HK cents	HK cents	HK cents	HK cents
Net asset value per ordinary share based on issued share capital excluding treasury shares at the end of the year:	105.1	92.0	67.9	61.4
Number of ordinary shares in issue excluding treasury shares	352,203,000	351,723,000	352,203,000	351,723,000

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

Valuetronics is an Electronic Manufacturing Service ("EMS") provider focusing on designing and developing products that meet the ever-changing needs of customers. We are the preferred choice of certain successful global companies for Original Equipment Manufacturing ("OEM") and Original Design Manufacturing ("ODM") services, with core competencies ranging from tool fabrication, injection moulding, metal stamping, machining, surface mount technology ("SMT") and finished product assembly on full turnkey basis. Recently, Valuetronics has enhanced its existing business model to cover the entire value chain, with its acquisition of an exclusive brand licensing agreement to use the "Whirlpool", "Maytag" and "Amana" brands, specifically for the portable air purifier appliance in the North America market.

Review – FY2010 (year ended 31 March 2010) vs FY2009 (year ended 31 March 2009)

Revenue

Revenue increased by 18.3% or HK\$176.1 million from HK\$960.1 million for the year ended 31 March 2009 to HK\$1,136.1 million for the year ended 31 March 2010. The increase was attributable to the increased OEM sales and additional sales from new ODM projects for a Fortune 500 MNC customer.

OEM revenue increased by 15.8% to HK\$920.0 million (FY2009: HK\$794.4 million) which was mainly due to increase demand from major customers.

ODM revenue increased by 30.5% to HK\$216.1 million (FY2009: HK\$165.7 million) which was mainly contributed by additional sales from the said new ODM projects for a Fortune 500 MNC customer.

Gross profit and gross profit margin

Gross profit increased by 5.9% to HK\$177.3 million (FY2009: HK\$167.5 million) and gross profit margin decreased by 1.8% to 15.6% (FY2009: 17.4%). The decrease in gross profit margin was mainly due to a change in the product sales mix.

Other income

Other income increased by 39.3% to HK\$5.6 million (FY2009: HK\$4.0 million) which was mainly due to lower exchange losses and lower interest incomes recorded during the year.

Selling and distribution costs

Selling and distribution costs increased by 92.2% to HK\$42.4 million (FY2009: HK\$22.1 million). This was attributable to increase in the sales and marketing spend and sales commissions payable to our sales representatives as well as higher air freight costs incurred for the restocking orders which came with a shorter than usual lead time since 2Q FY2010. These increased marketing efforts had helped to boost the overall sales of the Group for the year.

Administrative expenses

Administrative expenses decreased by 4.2% to HK\$63.9 million (FY2009: HK\$66.7 million) mainly due to the Group's continuous effort to control expenses as part of ongoing cost management.

Net other operating loss

The Group recorded a year-to-date net other operating loss of HK\$10.0 million which was mainly in respect of allowance for doubtful debts made in Q1 FY2010. While the net other operating loss in the prior year comprised of the one-off estimated assets impairment loss of HK\$10.0 million caused by the flash flood in June 2008, HK\$8.7 million allowance for doubtful debts and HK\$4.0 million of goodwill impairment on the acquisition of the medical equipment business.

Profit before tax

As a result of the above, the profit before tax increased by 10.9% to HK\$66.1 million (FY2009: HK\$59.6 million).

Financial position

Available-for-sale financial assets held by the Group increased by HK\$1.6 million from HK\$13.5 million as at 31 March 2009 to HK\$15.1 million as at 31 March 2010, mainly due to increase in the fair value of Senior Notes of Citigroup.

The Group's inventories balance increased by HK\$62.8 million from HK\$67.1 million as at 31 March 2009 to HK\$129.9 million as at 31 March 2010. The increase was in line with the resumption of customers' orders and buffer inventories holding requirements by one of the major customers to meet its spike demands.

The Group's trade receivables increased by HK\$171.2 million from HK\$102.4 million as at 31 March 2009 to HK\$273.7 million as at 31 March 2010. This is in line with the increased sales and longer payment terms granted to two of the Group's major MNC customers who are currently contributing more than 50% in total to the Group's revenue.

The Group's trade payables as of 31 March 2010 increased from HK\$77.2 million as at 31 March 2009 to HK\$229.8 million in line with the increase in trade receivables as a result of the Group's continuous efforts to improve its working capital cycle.

Statement of cash flows

Cash and cash equivalents held by the Group stood at HK\$139.9 million as at 31 March 2010 (31 March 2009: HK\$153.5 million) which was mainly due to higher working capital requirements to support additional inventories as well as trade receivables during the year.

The Group currently has not invested in any financial derivatives and places most of its bank deposits with authorised institutions in Hong Kong which are fully secured by Hong Kong Government's Exchange Fund until the end of 2010.

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

The FY2010 results announcement is in line with the prospect statement disclosed to shareholders in 3Q FY2010 results announcement.

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.

With the world economy gradually coming out from a recession, general market conditions and sentiments have improved across the globe. As a result, our customers are more optimistic in their business projections as evidenced by the extended periods for their orders received to-date.

We have been monitoring our customers' improving sentiments for past two quarters and with this recent encouraging change in their ordering trend in 4Q FY2010, the Group will be moving ahead with its plans for the construction of a new warehouse and acquisition of production equipment at our Daya Bay factory site that were halted due to uncertain market conditions in FY2010. This budgeted HK\$40 million capital expenditure is needed so that we can vacate and make available existing factory space and production capacities for the new projects from existing and new customers.

While remaining steadfast in pursuing growth in its core OEM and ODM businesses, the Group had made a strategic move to enhance its business model to cover the whole value chain of activities during the quarter. In March 2010, the Group entered into an exclusive licensing arrangement with Whirlpool Properties, Inc., Maytag Corporation and Maytag Limited, to design, manufacture and sell portable air purifier appliances using their *Whirlpool, Maytag and Amana* brand names for the North American market. Sales have started registering in Q1 FY2011 and with the new models being scheduled for launch in Q3 and Q4 FY2011, the Group expects this will provide further momentum in sales.

The Group's recent acquired medical equipment business, which was affected by the global financial crisis, has taken more time to grow than originally estimated. With the customer's successful re-launch of its In Vitro Diagnostic (IVD) medical equipment product into the market, orders have resumed and the first revenue was recorded in Q4 FY2010, together with orders up to Q3 FY2011. In addition, the customer has invited the Group to co-develop its other existing medical equipment products, which may translate into new business for the Group in the near future. Our existing IVD medical equipment production will also act to help showcase our capabilities and provide an inroad to medical equipment business opportunities from other customers.

Notwithstanding the general economic improvement, the Group continues to be cautious with respect to the business conditions in FY2011. In addition to the uneven pace of economic recovery, the Group has to contend with increasing working capital requirements to cover the extended credit periods and higher buffer inventories holding requirements by the customers. Challenges such as raw material price inflation, longer material ordering lead times, significant increase in PRC workers' minimum wages and potential appreciation of Renminbi currency continue to remain for PRC manufacturers like us.

Despite such challenges and uncertain economic environment, we remain confident that the Group is well positioned to take advantage of the recovery in the global economy, if sustainable. We will continue with our efforts to improve our business and financial fundamentals including improving our design and development capabilities, achieving greater productivity gains, maintaining service excellence and vigilance in working capital management.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	HK 4.5 cents per ordinary share
Tax Rate	Not applicable

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**(a) Business segments**

Revenue	Year ended 31 March 2010	Year ended 31 March 2009
	HK\$'000	HK\$'000
ODM	216,116	165,660
OEM	920,008	794,399
Total	1,136,124	960,059

Segment results	Year ended 31 March 2010	Year ended 31 March 2009
	HK\$'000	HK\$'000
ODM	14,483	22,125
OEM	134,988	134,008
Total	149,471	156,133

(b) Geographical segments

Revenue of geographical segments of principal markets are analyzed by location of customers

	Year ended 31 March 2010	Year ended 31 March 2009
	HK\$'000	HK\$'000
North and Central America	549,469	528,102
Greater China	500,944	339,420
Asia Pacific	9,996	14,120
Europe	75,715	78,417
Total	1,136,124	960,059

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

Please refer to item 8 above.

15. A breakdown of sales.

	Year ended 31 March 2010 HK\$'000	Year ended 31 March 2009 HK\$'000	increase/ (decrease) %
	Group	Group	Group
(a) Sales reported for first half year	537,524	552,908	-2.8%
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	23,261	43,240	-46.2%
(c) Sales reported for second half year	598,600	407,151	47.0%
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	35,514	9,824	261.5%

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

	Year ended 31 March 2010	Year ended 31 March 2009
	HK\$'000	HK\$'000
Ordinary	24,654	15,828
Preference	N/A	N/A
Total:	24,654	15,828

17. Interested Person Transactions ("IPTs")

Not applicable

BY ORDER OF THE BOARD

TSE Chong Hing

Chairman and Managing Director
18 May 2010