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ALCO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Website: <http://www.alco.com.hk>

(Stock Code: 328)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2010

PERFORMANCE HIGHLIGHTS

	2010	2009
— Revenue (HK\$)	4,003m	5,993m
— Profit attributable to equity holders (HK\$)	248m	190m
— Final dividend per share	HK14 cents	HK14 cents
— Special dividend per share	HK6 cents	—
— Full year dividend per share	HK29 cents	HK23 cents

The directors of Alco Holdings Limited (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March 2010

	<i>Note</i>	2010 HK\$'000	2009 HK\$'000
Revenue	3	4,003,213	5,993,075
Cost of goods sold	5	(3,447,672)	(5,321,070)
Gross profit		555,541	672,005
Other income	4	14,451	2,394
Selling expenses	5	(216,833)	(303,236)
Administrative expenses	5	(93,428)	(100,132)
Other operating expenses	5	(4,718)	(12,869)
Exchange gain/(loss) on loans and receivables		14,397	(25,957)
Operating profit		269,410	232,205
Finance income		5,989	8,130
Finance costs		(1,381)	(23,839)
Profit before income tax		274,018	216,496
Income tax expense	6	(25,725)	(26,311)
Profit attributable to equity holders of the Company		<u>248,293</u>	<u>190,185</u>
Earnings per share attributable to equity holders of the Company			
— basic	7	HK44.6 cents	HK34.1 cents
— diluted	7	HK44.6 cents	HK34.1 cents
Dividends	8	<u>161,433</u>	<u>128,033</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2010

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Profit attributable to equity holders of the Company	248,293	190,185
Other comprehensive income/(expenses), net of tax:		
Fair value gain/(loss) on available-for-sale financial assets	40,485	(38,935)
Currency translation difference	(2,829)	3,144
Total comprehensive income attributable to equity holders of the Company	285,949	154,394

CONSOLIDATED BALANCE SHEET

As at 31st March 2010

	<i>Note</i>	2010 HK\$'000	2009 HK\$'000
Non-current assets			
Property, plant and equipment		278,749	332,065
Investment properties		75,020	65,970
Leasehold land and land use rights		58,191	58,648
Intangible assets		76,827	81,658
Deferred income tax assets		7,072	–
Loans and receivables	9	78,501	64,104
Available-for-sale financial assets	10	136,641	96,156
		711,001	698,601
Current assets			
Inventories		472,688	703,846
Trade and other receivables	11	535,383	608,697
Cash and cash equivalents		1,039,830	872,307
		2,047,901	2,184,850
Current liabilities			
Trade and other payables	12	819,062	831,317
Current income tax liabilities		57,891	38,439
Borrowings		76,400	74,808
		953,353	944,564
Net current assets		1,094,548	1,240,286
Total assets less current liabilities		1,805,549	1,938,887
Capital and reserves attributable to equity holders of the Company			
Share capital		55,666	55,666
Reserves		1,703,883	1,545,966
Total equity		1,759,549	1,601,632
Non-current liabilities			
Borrowings		46,000	307,761
Deferred income tax liabilities		–	29,494
		46,000	337,255
Total equity and non-current liabilities		1,805,549	1,938,887

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

2. The adoption of new/revised HKFRS

The following new/revised standards and amendments to standards are mandatory and have been adopted by the Group for the financial year beginning 1st April 2009, but had no significant impact on the Group’s financial statements:

HKAS 1 (Revised) – Presentation of Financial Statements

The revised standard requires ‘non-owner changes in equity’ to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on total equity and earnings per share.

HKFRS 7 – Financial Instruments: Disclosures (Amendment)

The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on total equity and earnings per share.

HKFRS 8 – Operating Segments

HKFRS 8 replaces HKAS 14, ‘Segment Reporting’, and it requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. There has been no change in the number of reportable segments presented. In addition, the segments are reported in a manner that is consistent with the internal reporting provided to chief operating decision maker.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following new/revised standards, amendments and interpretations to existing standards have been published but are not yet effective for the financial year ended 31st March 2010 and which the Group has not early adopted:

		Effective for annual periods beginning or after
• HKFRS 1 (Revised)	First-time Adoption of HKFRS	1st July 2009
• HKFRS 3 (Revised)	Business Combinations	1st July 2009
• HKFRS 9	Financial Instruments	1st January 2013
• HKAS 24 (Revised)	Related Party Disclosures	1st January 2011
• HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1st July 2009
• Amendment to HKAS 32	Classification of Rights Issues	1st February 2010
• Amendment to HKAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1st July 2009
• Amendment to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement	1st January 2011
• HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners	1st July 2009
• HK(IFRIC) – Int 18	Transfers of Assets from Customers	1st July 2009
• HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments	1st July 2010
• Amendment to HKFRS 1	Additional Exemptions for First-time Adopters	1st January 2010
• Amendment to HKFRS 2	Group Cash-settled Share-based Payment Transactions	1st January 2010
• Certain improvements to HKFRS published by HKICPA in May 2009 and 2010		

The Group has already commenced an assessment of the impact of the above new/revised standards, amendments and interpretations to existing standards but is not yet in a position to state whether these new/revised standards, amendments and interpretations to existing standards would have a significant impact to its results of operations and financial position.

3. Segment information

The following is an analysis of the Group's revenue and results by operating segment:

(a) *Segment analysed by products*

The Group mainly operates in the People's Republic of China (the "PRC") and Hong Kong and is principally engaged in designing, manufacturing and selling of consumer electronic products and plastic products.

Consumer electronic products – Design, manufacture and sale of consumer electronic products
 Plastic products – Manufacture and sale of plastic and packaging products

	2010				2009			
	Consumer electronic products HK\$'000	Plastic products HK\$'000	Elimination HK\$'000	Group HK\$'000	Consumer electronic products HK\$'000	Plastic products HK\$'000	Elimination HK\$'000	Group HK\$'000
Segment revenue								
External sales	3,998,776	4,437	–	4,003,213	5,983,815	9,260	–	5,993,075
Inter-segment sales	–	119,488	(119,488)	–	–	161,735	(161,735)	–
	<u>3,998,776</u>	<u>123,925</u>	<u>(119,488)</u>	<u>4,003,213</u>	<u>5,983,815</u>	<u>170,995</u>	<u>(161,735)</u>	<u>5,993,075</u>
Segment results	270,052	(642)	–	269,410	234,274	(2,069)	–	232,205
Finance income				5,989				8,130
Finance costs				(1,381)				(23,839)
Profit before income tax				274,018				216,496
Income tax expense				(25,725)				(26,311)
Profit attributable to equity holders of the Company				<u>248,293</u>				<u>190,185</u>

3. Segment information (continued)

(b) Segment analysed by geographical areas

The segment revenue for the years ended 31st March 2010 and 2009 are as follows:

	2010 HK\$'000	2009 HK\$'000
North America	2,782,269	4,645,446
Europe	661,599	831,360
Asia	403,890	371,906
Others	155,455	144,363
	<u>4,003,213</u>	<u>5,993,075</u>

The analysis of revenue by geographical areas is based on the destination to which the shipments are made. No analysis of the contribution by geographical areas has been presented as the ratios of profit to revenue achieved for the above geographical areas are not substantially out of line with the Group's overall ratio of profit to revenue.

4. Other income

	2010 HK\$'000	2009 HK\$'000
Fair value gain/(loss) on investment properties	9,050	(4,522)
Rental income from investment properties	5,203	4,670
Sale of moulds	162	2,065
Others	36	181
	<u>14,451</u>	<u>2,394</u>

5. Expenses by nature

Expenses included in cost of goods sold, selling expenses, administrative expenses and other operating expenses are analysed as follows:

	2010 HK\$'000	2009 HK\$'000
Amortisation of intangible assets	16,137	13,067
Amortisation of leasehold land and land use rights	457	458
Depreciation of property, plant and equipment	76,983	73,640
Employee benefit expenses (including directors' emoluments)	<u>313,404</u>	<u>348,267</u>

6. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2010 HK\$'000	2009 HK\$'000
Current income tax		
– Hong Kong profits tax	56,322	28,642
– Under provision in prior years	5,969	30
Deferred income tax	(36,566)	(2,361)
	<u>25,725</u>	<u>26,311</u>

7. Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2010	2009
Profit attributable to equity holders of the Company (HK\$'000)	<u>248,293</u>	<u>190,185</u>
Weighted average number of ordinary shares in issue (thousands)	<u>556,662</u>	<u>557,797</u>
Basic earnings per share (HK cents)	<u>44.6</u>	<u>34.1</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

There were no dilutive potential ordinary shares during the years ended 31st March 2010 and 2009. Therefore, the diluted earnings per share is the same as basic earnings per share.

8. Dividends

	2010 HK\$'000	2009 HK\$'000
Interim dividend, paid, of HK9 cents (2009: HK9 cents) per ordinary share	50,100	50,100
Final dividend, proposed, of HK14 cents (2009: HK14 cents) per ordinary share	77,933	77,933
Special dividend, proposed, of HK6 cents (2009: nil) per ordinary share	33,400	—
	<u>161,433</u>	<u>128,033</u>

9. Loans and receivables

	2010 HK\$'000	2009 HK\$'000
Carrying amount as at year end	<u>78,501</u>	<u>64,104</u>

The loans and receivables represent the Group's investment in corporate bonds issued by Hydis Technologies Company Limited ("Hydis"), a company incorporated in Korea. The corporate bonds, which are interest-bearing at 4% per annum and will be redeemed in May 2013, are denominated in Korean Won.

The carrying amount of the loans and receivables approximates to their fair value.

The maximum exposure to credit risk at the reporting date is the carrying value of the loans and receivables.

10. Available-for-sale financial assets

	2010 HK\$'000	2009 HK\$'000
Unlisted equity securities outside Hong Kong, at fair value	96,156	135,091
Fair value gain/(loss) for the year	40,485	(38,935)
	<u>136,641</u>	<u>96,156</u>

The available-for-sale financial assets represent the Group's long-term investment in shares of Hydis (Note 9). They are denominated in Korean Won.

11. Trade and other receivables

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Trade receivables	521,120	583,632
Prepayments, deposits and other receivables	14,263	25,065
	<u>535,383</u>	<u>608,697</u>

The credit terms given to customers vary and are generally based on the financial strengths of individual customers. In order to effectively manage the credit risks associated with trade receivables, credit evaluations of customers are performed periodically.

The fair values of the trade and other receivables approximate to their carrying values.

At 31st March 2010 and 2009, the ageing analysis of the trade receivables based on invoice date is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
0-30 days	210,335	299,693
31-60 days	190,031	241,968
61-90 days	83,526	40,448
Over 90 days	37,228	1,523
	<u>521,120</u>	<u>583,632</u>

12. Trade and other payables

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Trade payables	729,168	722,717
Other payables and accruals	89,894	108,600
	<u>819,062</u>	<u>831,317</u>

At 31st March 2010 and 2009, the ageing analysis of the trade payables based on invoice date is as follows:

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
0-30 days	670,269	628,489
31-60 days	33,872	73,116
61-90 days	21,475	17,882
Over 90 days	3,552	3,230
	<u>729,168</u>	<u>722,717</u>

DIVIDENDS

The Board of Directors has recommended the payment of a final dividend of HK14 cents (2009: HK14 cents) per ordinary share and a special dividend of HK6 cents (2009: nil) per ordinary share for the year ended 31st March 2010 to the shareholders whose names appear on the register of members of the Company on 27th August 2010.

Subject to shareholders' approval at the forthcoming Annual General Meeting, the final dividend and special dividend are expected to be paid on 15th September 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 25th August 2010 to Friday, 27th August 2010, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend and special dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 24th August 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Group results and dividends

On behalf of the Board of Directors, I am pleased to present the financial results of Alco Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31st March 2010. During the review period, the Group recorded profit attributable to shareholders of HK\$248 million (2009: HK\$190 million) despite turnover falling by 33% to HK\$4 billion over the same time last year (2009: HK\$6 billion). Earnings per share were HK44.6 cents, compared to HK34.1 cents for 2009.

As the Group has achieved satisfactory results and maintained a strong financial position in the face of tough business conditions, the Board of Directors will continue to observe a dividend policy that delivers stable returns to shareholders. Accordingly, the payment of a final dividend of HK14 cents and a special dividend of HK6 cents has been recommended which, after including an interim dividend of HK9 cents per share, brings the total dividend to HK29 cents for the financial year (2009: HK23 cents), representing an increase of 26% over the previous financial year and an overall payout ratio of 65%.

The final dividend and special dividend will be paid on 15th September 2010 to the Group's shareholders upon approval at the upcoming Annual General Meeting.

Review of operations

The past financial year remained a challenging period for the Group as pressure resulting from the global financial crisis had yet to dissipate fully. However, our focus on healthy profit margin, maintaining a product mix that is in tune with market needs, and employing stringent cost controls have all been important factors in allowing us to preserve our competitiveness and a strong financial position, which was paramount for weathering the downturn.

Pursuing Healthy Profit Margins over Turnover

With the economic recession persisting, consolidation of the audio-visual manufacturing industry continued. As suppliers with less competitiveness were ousted from the market, the resultant vacuum presented us with more opportunities to fill new orders. However, electing to focus on quality over quantity and margins over turnover, we only accepted orders from selected customers who are financially sound and can share a similarly strong commitment to quality. As a result, we were able to improve our margins during the review period even though total turnover declined, partly due to diminished demand for digital TV tuners which were in high demand in the US during the previous financial year when analog broadcasting was being phased out.

Product Mix That is In Tune with Market Needs

To generate solid demand for the Group's products while delivering reasonable margins, we employed a flexible yet shrewd product mix strategy. During the year, portable DVD players and LCD TV products featuring 19-inch and 22-inch screens remained the key revenue drivers for the Group. We also sought to increase the supply of high end audio products for the mass market as prices for these products remained relatively stable. Audio and visual products with value-added iPod and iPhone docking features have been some of the most popular items with the Group's customers.

Committed to the pursuit of innovation as well as exploring new income sources, we were among the first manufacturers to launch LED backlight LCD TVs in 2009. These models have been very well received by customers as they bring several advantages, including less energy consumption, superior contrast levels and greater aesthetic appeal, being thinner than conventional LCD TVs due to the elimination of bulky CCFL (Cold Cathode Fluorescent Lamps) backlights. The sleek and stylish look of LCD TVs with LED backlighting will likely make them "must-have" items in coming years.

Stringent Cost Control

During the slow period of economic recovery and facing the rapid increase in labour cost, we were more committed than ever to employing cost control measures that enhance our competitiveness. The measures taken included containing operating costs by further reducing our workforce. Overtime expenditure was also reduced through stringent operation and work flow management. Greater inventory control was practiced as well, astutely purchasing materials at opportune occasions to keep down cost of sales. Moreover, the ongoing practice of standardising parts where feasible allowed us to achieve efficient product assembly and derive other advantages such as greater quality control, lower production cost, benefit from economies of scale and less susceptibility to the effects of parts obsolescence.

Other Factors for Increased Net Profit

While we are committed to maintaining profit margin and employing stringent cost control measures, several items further contributed to increased net profit during the review period, including

- Revaluation gain of HK\$9 million on investment properties as compared to a revaluation loss of HK\$5 million in last financial year.
- Exchange gain of HK\$14 million due to the appreciation of Korean Won as compared to an exchange loss of HK\$26 million in last financial year.
- Saving in finance costs of HK\$22 million due to strong cash position.

Prudent Cash Flow Management

To ensure our financial position remained sound, the Group held tight control on cash flow. Even though the Group had maintained a strong cash position well before the economic downturn, we took further measures to fortify our foundation, minimizing the size of bank loans and enforcing a strict spending policy. Also, we have been highly vigilant when reviewing credit terms with customers in order to minimise the credit risk especially during this adverse economic situation.

Investment in Korean Company Takes Positive Turn

Aside from progress made in our core business, we are also pleased to report that Hydis Technologies Co., Ltd. (“Hydis”), a Korean company within which the Group acquired a minority interest back in early 2008, has also made steps forward. Principally engaged in the development and manufacture of TFT-LCD panels, Hydis has reported a net profit making position since early 2010. Apart from securing a reliable supply of TFT LCD panels, we believe that the investment can provide a good return in the long run.

Prospects

While consumer sentiment in the US is showing signs of improvement in the first quarter of 2010, there remain mixed signals coming out of the country on its pace of recovery. Moreover, many European countries are now implementing tough austerity measures, which may pose a drag on Europe’s recovery and affect market demand. Amid such uncertainties, we are cautiously optimistic about the outlook of the consumer electronics market and will continue to prudently steer the Group forward, mindful of protecting our financial health yet not at the expense of constricting business development.

Seeking to build on our range of consumer electronics products to create new income sources, we will continue to ride on the crest of the latest trends as well as take the initiative of exploring more business opportunities by making the best use of our R&D resources. The focus of our product development is on integrating value-added technologies, and we will launch Blu-ray Disk players for portable and home theatre applications as well as eBook Readers in the later part of 2010. We will also target introducing iPad docking audio and visual products on the market in early 2011.

With global LCD TV shipments for the first quarter of 2010 exceeding 40 million units, equivalent to year-on-year growth of approximately 48%, according to research firm DisplaySearch, we will tap this growing demand by placing more emphasis on the sale of large-screen LCD TVs in the coming year. In relation to LED-backlight LCD TV, penetration is expected to surge to about 20% in 2010, according to estimates. Here too is an area that warrants steady development, capitalising on our competitive advantage of being an early entrant in this technology. In addition, we will explore opportunities in connection with 3D format Blu-ray Disk players and the emergence of 3D TVs.

The Group's manufacturing efficiency will receive a decided boost in the future by way of a new manufacturing facility in Dongguan. With construction ending in 2011 and production commencing in 2012, the state-of-the-art plant will be equipped with the latest technologies that will see labour reduced yet productivity increased still further. While helping us realise our business objectives, the facility will also enable the Group to fulfil its commitment to good corporate citizenship, having been designed from the outset to incorporate environmentally-friendly features that promote energy efficiency and reduce resources consumption.

Strengthened as opposed to weakened by the global financial crisis, the Group will continue to take decisive action that sustains business growth, bolsters its market and financial position, and ensures long-term healthy development.

Liquidity and financial resources

Total equity and total equity per share as at 31st March 2010 were approximately HK\$1,760 million (2009: HK\$1,602 million) and HK\$3.16 (2009: HK\$2.88) respectively.

The Group maintains a strong financial position. As at 31st March 2010, we had cash and deposits of HK\$1,040 million. After deducting interest-bearing debts of HK\$122 million, we had net cash of HK\$918 million. Our inventory as at 31st March 2010 was HK\$473 million (2009: HK\$704 million) as a result of tight inventory control.

The trade receivables balance as at 31st March 2010 was approximately HK\$521 million (2009: HK\$584 million). We have been adopting a prudent credit policy, and credit terms granted are generally based on the financial strengths of individual customer.

As at 31st March 2010, we had banking facilities of approximately HK\$1,716 million, of which approximately HK\$122 million were utilised. Among the used facilities, approximately HK\$76 million are repayable in the first year and approximately HK\$46 million are repayable in the second to fifth years.

Capital expenditure on fixed assets during the year was approximately HK\$34 million (2009: HK\$66 million), mainly on purchases of moulds, plant and equipment. All expenditures were financed from internal resources. As at 31st March 2010, we had capital commitments contracted but not provided for in respect of moulds, plant and machinery amounting to HK\$914,000 (2009: HK\$1,413,000).

We have limited exposure to trade-related foreign exchange risk as our sales, purchases and borrowings are substantially denominated in United States dollar and Hong Kong dollar. Moreover, adhering to the policy of not engaging in speculative financial derivatives, we did not make any gain or loss from such activities the reporting financial year.

EMPLOYEES

As at 31st March 2010, the Group had approximately 7,900 employees in Hong Kong and the PRC. Remuneration packages are generally structured by reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. We also provide other benefits including medical insurance, provident fund and education subsidies to all eligible staff.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31st March 2010 and the Company has not redeemed any of its shares during the same financial year.

POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date, the Group has entered into the following post balance sheet events:

(i) Grant of share options

On 11th May 2010, the Company granted 40,540,000 share options to eligible directors and employees. The exercise price of each share option is HK\$2.90 and the share options are exercisable between 11th May 2010 and 20th August 2013. However, only up to 50% of the share options granted are exercisable on or before 31st October 2010.

(ii) Acquisition of property

On 5th July 2010, Euroform Enterprise Limited, a wholly-owned subsidiary of the Company, entered into a provisional agreement for sale and purchase with Chase Good Development Limited, an independent third party, for the acquisition of an industrial building in Fanling, Hong Kong at a consideration of HK\$121 million. The deal will be completed on or before 15th October 2010. The acquisition will be funded through internal resources and banking facilities and the property will be used by the Group for investment purposes.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), except for deviation from the Code provision A.4.1.

Under the Code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. The non-executive directors of the Company are not appointed for a specific term. However, according to the Bye-laws of the Company, independent non-executive directors of the Company will retire by rotation every year and their appointments will be reviewed when they are due for re-election. In the opinion of the Company, this meets the same objective as the Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry of the directors, all the directors confirmed that they had complied with the required standards as set out in the Model Code and its code of conduct regarding directors’ securities transactions with the Company for the 12 months ended 31st March 2010.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the financial statements of the Group for the year ended 31st March 2010.

The Audit Committee currently comprises three independent non-executive directors of the Company, namely Mr WONG Po Yan, *G.B.M., J.P.*, The Hon LI Wah Ming, Fred, *S.B.S., J.P.* and Mr LAU Wang Yip, Derrick.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31st March 2010 have been agreed by the Group’s auditor, PricewaterhouseCoopers (“PwC Hong Kong”), to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by PwC Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC Hong Kong on the preliminary announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This final results announcement is available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website at www.irasia.com/listco/hk/alco/index.htm. The annual report of the Company containing all the information required by the Listing Rules will be published on the above websites in due course.

LIST OF DIRECTORS

As at the date of this announcement, the Board of Directors comprises three executive directors, namely Mr LEUNG Kai Ching, Kimen, Mr LEUNG Wai Sing, Wilson and Mr KUOK Kun Man, Andrew and three independent non-executive directors, namely Mr WONG Po Yan, The Hon LI Wah Ming, Fred and Mr LAU Wang Yip, Derrick.

On behalf of the Board
LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 15th July 2010