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 2015

PERFORMANCE HIGHLIGHTS

	2015	2014
– Revenue (HK$)	**2,563m**	2,291m
– Profit/(loss) attributable to equity holders (HK$)	**114m**	(19m)
– Final dividend per share	**HK10 cents**	HK4 cents
– Full year dividend per share	**HK13 cents**	HK7 cents

The directors of Alco Holdings Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2015 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31st March 2015

	Note	2015 HK$'000	2014 HK$'000
Continuing operation			
Revenue	3	**2,562,566**	2,291,141
Cost of goods sold	5	**(2,275,384)**	(2,161,070)
Gross profit		**287,182**	130,071
Other income	4	**18,985**	24,817
Selling expenses	5	**(98,187)**	(77,102)
Administrative expenses	5	**(69,034)**	(70,707)
Other operating (expenses)/income	5	**(21,206)**	1,686
Exchange (loss)/gain on loans and receivables	10	**(25)**	6,186
Loss on disposal of loans and receivables		**–**	(11,946)
Loss on disposal of available-for-sale financial assets		**–**	(15,225)
Operating profit/(loss)		**117,715**	(12,220)
Finance income		**13,693**	21,764
Finance costs		**(6,831)**	(3,830)
Profit before income tax		**124,577**	5,714
Income tax (expense)/credit	6	**(10,402)**	983
Profit for the year from continuing operation		**114,175**	6,697
Discontinued operation			
Loss for the year from discontinued operation	7	**–**	(26,179)
Profit/(loss) for the year		**114,175**	(19,482)
Profit/(loss) for the year attributable to:			
Equity holders of the Company			
– Continuing operation		**114,250**	7,080
– Discontinued operation		**–**	(26,179)
		114,250	(19,099)
Non-controlling interests			
– Continuing operation		**(75)**	(383)
		114,175	(19,482)

	Note	2015 HK$'000	2014 HK$'000
Earnings/(loss) per share attributable to equity holders of the Company			
Basic earnings/(loss) per share			
– Continuing operation	*8*	**HK19.7 cents**	HK1.2 cents
– Discontinued operation	*8*	**–**	(HK4.5 cents)
		HK19.7 cents	(HK3.3 cents)
Diluted earnings/(loss) per share			
– Continuing operation	*8*	**HK19.7 cents**	HK1.2 cents
– Discontinued operation	*8*	**–**	(HK4.5 cents)
		HK19.7 cents	(HK3.3 cents)
Dividends	*9*	**75,318**	40,578

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2015

	2015	2014
	HK$'000	*HK$'000*
Profit/(loss) for the year	**114,175**	(19,482)
Other comprehensive (loss)/income, net of tax:		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(2,156)**	575
Total comprehensive income/(loss) for the year	**112,019**	(18,907)
Total comprehensive income/(loss) for the year attributable to:		
Equity holders of the Company		
– Continuing operation	**112,094**	7,655
– Discontinued operation	**–**	(26,179)
	112,094	(18,524)
Non-controlling interests		
– Continuing operation	**(75)**	(383)
	112,019	(18,907)

CONSOLIDATED BALANCE SHEET

As at 31st March 2015

	Note	**2015** **HK$'000**	2014 HK$'000
Non-current assets			
Property, plant and equipment		**200,846**	212,385
Investment properties		**315,670**	305,210
Leasehold land and land use rights		**6,815**	7,150
Intangible assets		**21,450**	29,250
Deferred income tax assets		**38,811**	36,692
Deposits and other receivables	*11*	**60,692**	58,414
		644,284	649,101
Current assets			
Inventories		**403,540**	353,439
Loans and receivables	*10*	**–**	1,562
Trade and other receivables	*11*	**560,988**	632,824
Current income tax assets		**–**	692
Cash and cash equivalents		**888,335**	924,146
		1,852,863	1,912,663
Current liabilities			
Trade and other payables	*12*	**512,072**	575,843
Trust receipt loan		**1,654**	–
Current income tax liabilities		**7,086**	–
Borrowings		**50,000**	80,000
		570,812	655,843
Net current assets		**1,282,051**	1,256,820
Total assets less current liabilities		**1,926,335**	1,905,921

	2015	2014
	HK$'000	*HK$'000*
Capital and reserves attributable to equity holders of the Company		
Share capital	**57,937**	58,009
Reserves	**1,868,825**	1,798,264
	1,926,762	1,856,273
Non-controlling interests	**(427)**	(352)
Total equity	**1,926,335**	1,855,921
Non-current liabilities		
Borrowings	**–**	50,000
Total equity and non-current liabilities	**1,926,335**	1,905,921

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 which are carried at fair value.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (cap. 32) for this financial year and the comparative period.

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. Amendments of standards adopted by the Group

The Group has adopted the following new/revised standards, amendments to standards and interpretations that are effective for the Group's accounting period beginning on 1st April 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Transitional Guidance
HK(IFRIC) – Int 21	Levies

The following new/revised standards and amendments to existing standards are mandatory for the Group's accounting periods beginning on or after 31st March 2015 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptance Methods of Depreciation and Amortisation	1st January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture for Bearer Plants	1st January 2016
HKAS 19 (Amendment)	Defined Benefit Plans: Employee Contributions	1st July 2014
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements	1st January 2016
HKFRS 9	Financial Instruments	1st January 2018
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1st January 2016
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1st January 2016
HKFRS 14	Regulatory Deferred Accounts	1st January 2016
HKFRS 15	Revenue from Contracts with Customers	1st January 2017
Amendments to HKFRSs	Annual Improvements 2010-2012 Cycle	1st July 2014
Amendments to HKFRSs	Annual Improvements 2011-2013 Cycle	1st July 2014
Amendments to HKFRSs	Annual Improvements 2012-2014 Cycle	1st January 2016

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

There are no other HKFRSs or interpretations that are not yet effective and are expected to have a material impact on the Group.

3. Segment information

(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.

During the year ended 31st March 2014, the Group disposed of the plastic products operation and the results of such operation together with the related loss on disposal have been presented as discontinued operation in the consolidated income statement for the year ended 31st March 2014 (Note 7).

	2015	2014		
	Continuing operation	Continuing operation	Discontinued operation	
	Consumer electronic products	Consumer electronic products	Plastic products	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	**2,562,566**	2,291,141	78,990	2,370,131
Inter-segment sales	**–**	–	(65,276)	(65,276)
External sales	**2,562,566**	2,291,141	13,714	2,304,855
Segment results	**117,715**	(12,220)	(28,232)	(40,452)
Finance income	**13,693**	21,764	–	21,764
Finance costs	**(6,831)**	(3,830)	–	(3,830)
Profit/(loss) before income tax	**124,577**	5,714	(28,232)	(22,518)
Income tax (expense)/credit	**(10,402)**	983	2,330	3,313
Profit/(loss) after income tax	**114,175**	6,697	(25,902)	(19,205)
Loss on disposal of a subsidiary	**–**	–	(277)	(277)
Profit/(loss) for the year	**114,175**	6,697	(26,179)	(19,482)
Profit/(loss) for the year attributable to				
– equity holders of the Company	**114,250**	7,080	(26,179)	(19,099)
– non-controlling interests	**(75)**	(383)	–	(383)
	114,175	6,697	(26,179)	(19,482)

(b) Segment analysed by geographical areas

The segment revenue for the years ended 31st March 2015 and 2014 are as follows:

	2015	2014
	HK$'000	*HK$'000*
Continuing operation		
North America	**2,499,377**	2,088,500
Asia	**50,238**	72,314
Europe	**4,761**	127,964
Others	**8,190**	2,363
	2,562,566	2,291,141

The analysis of revenue by geographical areas is based on the destination to which the shipments are made.

Primarily all of the Group's assets and capital expenditure for the years ended 31st March 2015 and 2014 were located or utilised in the PRC or Hong Kong.

4. Other income

	2015	2014
	HK$'000	*HK$'000*
Continuing operation		
Fair value gain on investment properties	**10,460**	16,160
Rental income from investment properties	**8,489**	7,862
Others	**36**	795
	18,985	24,817

5. Expenses by nature

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

	2015	2014
	HK$'000	*HK$'000*
Continuing operation		
Amortisation of intangible assets	**7,800**	8,883
Amortisation of leasehold land and land use rights	**292**	292
Auditor's remuneration	**2,090**	2,280
Cost of inventories	**1,924,405**	1,717,570
Depreciation of property, plant and equipment	**33,369**	32,960
Employee benefit expenses (including directors' emoluments)	**212,827**	249,472
Severance pay	**19,940**	772
Gain on disposal of property, plant and equipment	**(6,888)**	(5,215)
Operating lease rental in respect of land and buildings	**30,439**	33,401
Research and development costs	**13,858**	16,496
Impairment of property, plant and equipment	**4,964**	2

6. Income tax expense/credit

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2015	2014
	HK$'000	*HK$'000*
Continuing operation		
Current income tax		
– Hong Kong profits tax	**(8,713)**	(3,992)
– Over/(under) provision in prior years	**92**	(9)
– PRC enterprise income tax	**(3,900)**	–
Deferred income tax credit	**2,119**	4,984
Income tax (expense)/credit	**(10,402)**	983

7. Discontinued operation

During the year ended 31st March 2014, the Group sold the entire interest in Alco Plastic Products Limited ("APPL"), a wholly owned subsidiary of the Company, to one of the APPL's directors at a cash consideration of HK$3,000,000. Full consideration was received in February 2014. The principal activity of APPL was the manufacturing and selling of plastic products. Accordingly, the results of plastic products business together with the related loss on disposal have been presented as a discontinued operation in the consolidated financial statements for the year ended 31st March 2014.

(a) Analysis of the results of discontinued operation is as follows:

		2014
	Note	*HK$'000*
Revenue	*3*	78,990
Cost of goods sold		(95,099)
Gross loss		(16,109)
Selling expenses		(38)
Administrative expenses		(2,112)
Other operating expenses		(9,973)
Loss before income tax		(28,232)
Income tax credit		2,330
Loss after income tax		(25,902)
Loss on disposal of a subsidiary		(277)
Loss from discontinued operation attributable to equity holders of the Company		(26,179)

(b) Analysis of the expenses of discontinued operation is as follows:

	2014
	HK$'000
Cost of inventories	64,508
Depreciation of property, plant and equipment	2,508
Employee benefit expenses (including APPL's directors' emoluments)	22,116
Gain on disposal of property, plant and equipment	(793)
Operating lease rental in respect of land and buildings	1,367
Write-off/impairment of property, plant and equipment	3,748
Deferred income tax credit	(2,330)

(c) Analysis of the cash flows of discontinued operation is as follows:

	2014
	HK$'000
Net cash inflow from operating activities	43,496
Net cash inflow from investing activities	5,437
Net cash outflow from financing activities	(50,100)
Net cash outflow from discontinued operation	(1,167)

(d) Disposal of a subsidiary

	28th February 2014
	HK$'000
Net assets disposed of	
Property, plant and equipment	7,550
Deferred income tax assets	1,563
Trade and other current assets	4,148
Inventories	1,331
Cash and cash equivalents	72
Trade and other payables	(11,387)
	3,277
Consideration	3,000
Loss on disposal	(277)

Analysis of net cash flow in respect of the disposal of a subsidiary is as follows:

Cash consideration received	3,000
Cash and cash balances disposed of	(72)
Total cash inflow from disposal	2,928

8. Earnings/(loss) per share

Basic

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

	2015	2014
Profit/(loss) attributable to equity holders of the Company *(HK$'000)*		
– Continuing operation	**114,250**	7,080
– Discontinued operation	**–**	(26,179)
	114,250	(19,099)
Weighted average number of ordinary shares in issue	**579,541,999**	580,093,720
Basic earnings/(loss) per share *(HK cents)*		
– Continuing operation	**19.7**	1.2
– Discontinued operation	**–**	(4.5)
	19.7	(3.3)

Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary share: share options. Share options had been fully exercised or lapsed in prior years. There were no dilutive potential ordinary shares during the years ended 31st March 2015 and 2014. Therefore, the dilutive earnings per share are the same as basic earnings per share.

9. Dividends

	2015 ***HK$'000***	2014 *HK$'000*
Interim dividend, paid, of HK3 cents (2014: HK3 cents) per ordinary share	**17,381**	17,403
Final dividend, proposed, of HK10 cents (2014: HK4 cents) per ordinary share	**57,937**	23,175
	75,318	40,578

At a meeting held on 25th June 2015, the directors proposed a final dividend of HK10 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements.

10. Loans and receivables

	2015	2014
	HK$'000	*HK$'000*
Government bonds *(Note)*	**–**	1,562

Carrying amount as at the beginning of the year	**1,562**	102,379
Redemption	**(1,537)**	(21,302)
Disposal	**–**	(85,701)
Exchange (loss)/gain	**(25)**	6,186
Carrying amount as at the end of the year	**–**	1,562

Note: The government bonds are issued by the Ministry of Finance PRC and are denominated in RMB.

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 amount of the loans and receivables.

11. Trade and other receivables

	2015	2014
	HK$'000	*HK$'000*
Non-current		
Deposits and other receivables *(Note)*	**60,692**	58,414
Current		
Trade receivables	**533,406**	590,215
Prepayment, deposits and other receivables *(Note)*	**27,582**	42,609
	560,988	632,824
Total	**621,680**	691,238

Note: As at 31st March 2015, other receivables included HK$58,414,000 (2014: HK$73,755,000) consideration receivable from PVI Global Corporation for the disposal of the corporate bond of Hydis Technologies Company Limited. A guarantee was granted by E Ink Holdings Inc to cover the entire receivable amount.

During the year, the Group entered into loan agreements with a company incorporated in Denmark under which loans amounted to HK$5,587,000 were granted by the Group to the company for the purposes of promoting the bicycle business in Europe. The loans are interest bearing and will be repayable within one year from the grant date. Such loans were fully provided taking into account the measurable decrease in estimated future cash flows.

At 31st March 2015 and 2014, the ageing analysis of the trade receivables based on shipping terms is as follows:

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**143,255**	242,495
31 – 60 days	**110,115**	68,062
61 – 90 days	**54,240**	130,335
Over 90 days	**225,796**	149,323
	533,406	590,215

As at 31st March 2015, no trade receivables (2014: HK$50,755,000) were past due with reference to the credit terms offered.

12. Trade and other payables

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**460,239**	522,787
Other payables and accruals	**51,833**	53,056
	512,072	575,843

At 31st March 2015 and 2014, the ageing analysis of the trade payables based on invoice date is as follows:

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**434,652**	486,240
31 – 60 days	**16,773**	23,517
61 – 90 days	**3,247**	10,087
Over 90 days	**5,567**	2,943
	460,239	522,787

DIVIDEND

The directors recommended the payment of a final dividend of HK10 cents (2014: HK4 cents) per ordinary share for the year ended 31st March 2015 to the shareholders whose names appear on the register of members of the Company on 3rd September 2015.

Subject to shareholders' approval at the forthcoming annual general meeting of the Company, which is scheduled on 26th August 2015, the final dividend is expected to be paid on 11th September 2015.

CLOSURE OF REGISTER OF MEMBERS

Annual general meeting

The register of members of the Company will be closed from Monday, 24th August 2015 to Wednesday, 26th August 2015, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the forthcoming annual general meeting of the Company, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 21st August 2015.

Dividend

The register of members of the Company will be closed from Tuesday, 1st September 2015 to Thursday, 3rd September 2015, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 31st August 2015.

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 2015.

As at the close of the reporting year, the Group recorded turnover of HK$2.6 billion, representing a year-on-year increase of 12% (2014: HK$2.3 billion). Profit attributable to shareholders amounted to HK$114 million (2014: loss of HK$19 million), and was mainly due to (i) the increase in turnover; (ii) improvement in gross margin; and (iii) the Group being no longer impacted by a one-time write-off of the plastic operation and investment in Hydis as reported in the 2014 financial year.

In view of the positive performance of the Group and the Board of Directors' commitment to observe a stable dividend payout policy, the directors have resolved to declare a final dividend of HK10 cents (2014: HK4 cents) per share, which, combined with an interim dividend of HK3 cents per share already paid (2014: HK3 cents), represents a total dividend of HK13 cents per share for the financial year (2014: HK7 cents).

The final dividend will be paid on 11th September 2015 to the Group's shareholders upon approval at the upcoming Annual General Meeting.

Review of operations

Against a backdrop of a recovering US economy, consumption sentiment has modestly improved during the past financial year. Segments of the retail sector have in turn enjoyed a pickup in consumer demand. The Group has experienced higher demand as well; in particular, our new range of tablet products featuring Bluetooth-enabled wireless keyboards has performed encouragingly. Produced since the second half of 2014, these devices have enjoyed strong demand ever since. It is worth noting as well that since these products have a relatively higher entry barrier, they are therefore less susceptible to competitive price pressure. Aside from this star performer, sound bars systems that complement many of today's flat-panel TVs have continued to represent stable revenue sources for the Group as they remain essential products for those who enjoy a completely immersive entertainment experience. Still other products that make up the Group's current portfolio include DVD players, Blu-ray players, and DVD/BD home theatre systems.

Besides a solid product portfolio that is regularly reviewed and refined, development and enhancement extend to the Group's production, which is under constant scrutiny by management. While we have benefited from the consolidation of all manufacturing activities since our relocation to Houjie Town in mid-2013, the Group has further increased efforts to raise productivity, particularly in view of the ongoing rise in cost of labour and persistent shortage of skilled workers. Consequently, even more automation has been introduced to the Group's various production lines, which helps reduce substantially our reliance on direct labour. Similarly, robots have been brought in to handle warehouse and logistics-related activities, i.e. loading and unloading, palletising and depalletising, thus further lifting efficiency in these areas as well.

Furthermore, a restructuring of the workforce was conducted during the year, which, even though resulted in a one-time severance payment of HK$20 million, nevertheless led to an immediate saving in staff costs. Such cost saving will in turn benefit the Group over the long run.

Prospects

Recent signs suggest that the US economy is indeed achieving an upswing, which will help spur the recovery of the global economy. Hence, while there are still many challenges that all members of the consumer electronics industry must face, including high labour and manufacturing related expenses and intense competition, a turnaround appears on the horizon. Consequently, the Group will seek to build on the gains made during the latest financial year, leveraging prudent strategies that strive ultimately for long-term sustainable growth.

The current success of our tablet products highlights the significant opportunities available in this business segment. We will therefore direct still greater energies towards expanding our presence in this market. In particular, building on the momentum of the popularity of the Group's 7-inch, 10-inch, and 11-inch tablets, we will further strengthen our Infotainment/I.T. products portfolio by planning to introduce larger size tablets. The Group is also evaluating the possibility of developing traditional laptop/ notebook PCs.

Certainly, the products that have served as the foundation supporting the Group's development in recent years, such as high-value sound bar and sound stand systems will continue to receive our close attention and timely enhancement. While further bolstering our current portfolio, we will continue to refine our product mix and at the same time constantly examine market trends so as to introduce still more new and exciting products.

Also requiring our close and constant attention will be raising production efficiency and curbing costs. While our consolidated production facility in Houjie Town is fully operational and steps made to increase automation have achieved the desired results, improving manufacturing efficiency remains an ongoing task and one that will continue to be of high priority.

While raising efficiency, controlling expenses and enhancing our product mix have been often emphasised, it is worth noting as well that the Group is constantly exploring new markets to penetrate. Though the North American market has been our traditional stronghold, we have gained footholds, even though not very significant at the moment, in other markets and this has contributed to our rise in turnover. We will therefore continue to find opportunities to enter new borders so as to enhance our performance as well as achieve a more balanced geographical presence.

With the close of one financial year and the beginning of the next, our objective will be to build on the momentum thus far generated. To do so, we will once again be able to rely on an experienced management team to steer the Group forward; a healthy financial position that protects us from unpredictable market conditions; and our long-standing business partners, all of whom have proved time and again to be the Group's staunch allies.

Liquidity and financial resources

The Group's total equity and total equity per share as at 31st March 2015 were HK$1,926 million (2014 : HK$1,856 million) and HK$3.32 (2014: HK$3.20) respectively.

The Group maintains a strong financial position. As at 31st March 2015, we had cash and deposits of HK$888 million. After deducting bank loans of HK$52 million, we had net cash of HK$836 million. The Group has adequate liquidity for future working capital requirements.

As at 31st March 2015, our inventory was HK$404 million (2014: HK$353 million). We take a cautious approach to monitor the inventory level especially during this environment with uncertainty.

Trade receivables balance as at 31st March 2015 was HK$533 million (2014: HK$590 million). As it is our policy to deal with creditworthy customers and to adopt a prudent credit policy, credit risk is kept at minimal.

Trade payables balance as at 31st March 2015 was HK$460 million (2014: HK$523 million).

As at 31st March 2015, we had banking facilities of HK$1,150 million (2014: HK$1,596 million), of which HK$52 million (2014: HK$130 million) were utilised. The used facilities of HK$52 million shall be payable in the first year.

Capital expenditure on fixed assets during the year was HK$34 million (2014: HK$119 million). As at 31st March 2015, we had capital commitments contracted but not provided for in respect of moulds, plant and machinery and renovation amounting to HK$16,018,000 (2014: HK$2,377,000).

Due to peg-rate system, we have limited exposure to trade-related foreign exchange risk as substantially all of our sales, purchases and borrowings are denominated in United States dollars and Hong Kong dollars. Adhering to the policy of not engaging in currency speculation, there was no gain or loss from speculative activities during the reporting financial year.

To naturally hedge against the cost impact caused by the potential appreciation of RMB, the Group has diversified its cash portfolio by investing in RMB denominated deposits and bonds. As at 31st March 2015, the amount totalled RMB359 million.

Employees

As at 31st March 2015, the Group had approximately 2,300 (2014: 2,900) 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

During the year ended 31st March 2015, the Company repurchased a total of 670,000 ordinary shares of the Company at a consideration of HK$977,600 on The Stock Exchange of Hong Kong Limited. All the 670,000 repurchased shares were cancelled during the financial year. Details of the repurchases are as follows:

Month of repurchases	Total number of shares repurchased	Price per share		Aggregate Consideration
		Highest	Lowest	
		HK$	*HK$*	*HK$*
April 2014	320,000	1.33	1.29	419,600
July 2014	100,000	1.47	1.47	147,000
August 2014	250,000	1.67	1.58	411,000
	670,000			977,600

The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the net asset value per share and to improving the earnings per share of the Company.

Save as disclosed above, neither the Company nor its subsidiary companies has purchased or sold any of the Company's shares during the year ended 31st March 2015 and the Company has not redeemed any of its shares during the same financial year.

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions set out in the Corporate Governance Code and Corporate Governance Report (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") for the 12 months ended 31st March 2015.

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 2015.

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 2015.

The Audit Committee currently comprises three independent non-executive directors of the Company, namely Mr LI Wah Ming, Fred, *S.B.S., J.P.*, Mr LAU Wang Yip, Derrick and Mr LEE Tak Chi.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March 2015 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers 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 five executive directors, namely Mr LEUNG Kai Ching, Kimen, Mr LEUNG Wai Sing, Wilson, Mr KUOK Kun Man, Andrew, Mr LEUNG, Jimmy and Mr LIU Lup Man and three independent non-executive directors, namely Mr LI Wah Ming, Fred, Mr LAU Wang Yip, Derrick and Mr LEE Tak Chi.

By order of the Board
Alco Holdings Limited
LEUNG Kai Ching, Kimen
Chairman

Hong Kong, 25th June 2015