

LUXKING GROUP HOLDINGS LIMITED
(Incorporated in Bermuda)

Full Year Financial Statement Announcement for the Year Ended 30 June 2017

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

The directors are pleased to announce the unaudited operating results of the Group for the year ended 30 June 2017.

UNAUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2017

1(a)(i) Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB'000</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2016</u> <u>RMB'000</u>	<u>+ / (-)</u> <u>%</u>
Revenue	515,598	498,755	3.4%
Cost of sales	<u>(462,583)</u>	<u>(434,490)</u>	6.5%
Gross profit	53,015	64,265	(17.5%)
Other income (Note 1)	1,286	2,003	(35.8%)
Selling and distribution costs	(14,870)	(17,013)	(12.6%)
Administrative expenses	(25,356)	(28,415)	(10.8%)
Other operating expenses	(303)	(2,846)	(89.4%)
Finance costs	<u>(7,927)</u>	<u>(10,027)</u>	(20.9%)
Profit before income tax	5,845	7,967	(26.6%)
Income tax expense	<u>(2,551)</u>	<u>(3,331)</u>	(23.4%)
Profit for the year	<u><u>3,294</u></u>	<u><u>4,636</u></u>	(28.9%)

1(a)(ii) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB'000</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2016</u> <u>RMB'000</u>	<u>+ / (-)</u> <u>%</u>
Profit for the year	3,294	4,636	(28.9%)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of financial statements of foreign operations	<u>382</u>	<u>2,955</u>	(87.1%)
Total comprehensive income attributable to the owners of the Company	<u><u>3,676</u></u>	<u><u>7,591</u></u>	(51.6%)

1(a)(iii) Profit before income tax is arrived at after charging/(crediting):

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB'000</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2016</u> <u>RMB'000</u>	<u>+ / (-)</u> <u>%</u>
Property, plant and equipment written-off	-	238	n/m
Impairment loss on property, plant and equipment written back	-	(932)	n/m
Gain on disposals of property, plant and equipment	-	(13)	n/m
Fair value gain on investment property	(30)	(15)	100.0%
Depreciation of property, plant and equipment	18,155	17,417	4.2%
Amortisation of land use rights	111	111	0.0%
Bad debts written off	133	55	141.8%
Impairment of trade receivables	-	2,348	n/m
Inventories write-down/(write-back)	2,246	(1,315)	n/m
Interest expenses	7,927	10,027	(20.9%)
Net foreign exchange (gain)/losses	(96)	1,546	n/m

Note 1:

Other income comprises the following items:

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB'000</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2016</u> <u>RMB'000</u>	<u>+ / (-)</u> <u>%</u>
Net gain on sales of raw materials	1,005	826	21.7%
Interest income	18	32	(43.8%)
Fair value gain on investment property	30	15	100.0%
Net foreign exchange gain	96	-	n/m
Gain on disposals of property, plant and equipment	-	13	n/m
Impairment loss on property, plant and equipment written back	-	932	n/m
Others	<u>137</u>	<u>185</u>	(25.9%)
	<u><u>1,286</u></u>	<u><u>2,003</u></u>	(35.8%)

n/m = not meaningful

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

	Group		Company	
	As at 30.6.2017 RMB'000	As at 30.6.2016 RMB'000	As at 30.6.2017 RMB'000	As at 30.6.2016 RMB'000
Assets				
Non-current assets				
Property, plant and equipment	89,641	106,466	-	-
Investment property	420	390	-	-
Land use rights	3,510	3,621	-	-
Interests in subsidiaries	-	-	112,435	1
Deposits for acquisition of property, plant and equipment	5,560	-	-	-
	99,131	110,477	112,435	1
Current assets				
Inventories	63,384	55,328	-	-
Trade receivables	173,314	173,030	-	-
Prepayments, deposits and other receivables	10,310	15,702	6	114,481
Restricted bank deposits	1,063	1,042	-	-
Cash and bank balances	19,667	25,021	-	-
	267,738	270,123	6	114,481
Total assets	366,869	380,600	112,441	114,482
Equity and liabilities				
Equity attributable to the owners of the Company				
Share capital	133,557	133,557	133,557	133,557
Reserves	36,593	32,917	(22,933)	(21,076)
Total equity	170,150	166,474	110,624	112,481
Current liabilities				
Trade and bills payables	26,972	25,145	-	-
Accrued expenses, deposits received and other payables	16,419	19,443	1,817	2,001
Bank borrowings, secured	106,878	107,120	-	-
Finance lease liabilities	-	34	-	-
Income tax payables	950	884	-	-
	151,219	152,626	1,817	2,001
Non-current liabilities				
Other loans	45,500	61,500	-	-
Total liabilities	196,719	214,126	1,817	2,001
Total equity and liabilities	366,869	380,600	112,441	114,482

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

Amount repayable in one year or less, or on demand

As at 30.6.2017		As at 30.6.2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
106,878	-	107,154	-

Amount repayable after one year

As at 30.6.2017		As at 30.6.2016	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	45,500	-	61,500

Details of any collateral

The Group's bank borrowings of RMB106,878,000 represent:

- (i) bank loans granted by China Construction Bank and Bank of Communications in the People's Republic of China (the "PRC");
- (ii) export finance granted by Industrial and Commercial Bank of China Limited, China Construction Bank and Bank of Communications in the PRC;
- (iii) bills acceptance granted by Bank of Communications in the PRC;
- (iv) trust receipt loans granted by Industrial and Commercial Bank of China (Asia) Limited and CTBC Bank Co. Ltd. in Hong Kong.

As at 30 June 2017, the Group's bank borrowings were secured by corporate guarantees executed by the Company, a subsidiary of the Company and Mr Leung Chee Kwong, director of the Company, the pledge of certain of the Group's property, plant and equipment, the Group's entire land use rights, certain of the Group's trade receivables, the Group's restricted bank deposits and an independent third party's land use rights.

As at 30 June 2017, these bank borrowings bear fixed interest rates ranging from 2.2% to 5.7% per annum and floating interest rates ranging from 2.0% to 2.1% per annum.

Other loans are unsecured and interest bearing at the prevailing market rate in the PRC plus 1% per annum. The effective interest rate was 6.9% per annum as at 30 June 2017. Written consent with the lender was made on 15 December 2016 that the loan repayment date was extended from 2018 to 2019.

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

	<u>Group</u> <u>Year ended</u> <u>30.6.2017</u> <u>RMB'000</u>	<u>Group</u> <u>Year ended</u> <u>30.6.2016</u> <u>RMB'000</u>
Operating activities		
Profit before income tax	5,845	7,967
Adjustments for:		
Amortisation of land use rights	111	111
Property, plant and equipment written-off	-	238
Impairment loss on property, plant and equipment written back	-	(932)
Bad debts written-off	133	55
Impairment of trade receivables	-	2,348
Inventories write-down/(write-back)	2,246	(1,315)
Fair value gain on investment property	(30)	(15)
Depreciation of property, plant and equipment	18,155	17,417
Interest expenses	7,927	10,027
Interest income	(18)	(32)
Gain on disposals of property, plant and equipment	-	(13)
Operating profit before working capital changes	<u>34,369</u>	<u>35,856</u>
(Increase)/decrease in inventories	(10,302)	6,857
Decrease in trade receivables	42	13,067
Decrease in prepayments, deposits and other receivables	5,183	3,725
Increase/(decrease) in trade and bills payables	1,837	(1,656)
Decrease in accrued expenses, deposits received and other payables	<u>(3,613)</u>	<u>(1,406)</u>
Cash generated from operations	27,516	56,443
Interest received	18	32
Income taxes paid	<u>(2,523)</u>	<u>(3,557)</u>
Net cash generated from operating activities	25,011	52,918
Investing activities		
(Increase)/decrease in restricted bank deposits	(21)	933
Purchases of property, plant and equipment	(1,273)	(16,316)
Proceeds from disposals of property, plant and equipment	-	51
Increase in deposits for acquisition of property, plant and equipment	<u>(5,560)</u>	<u>-</u>
Net cash used in investing activities	(6,854)	(15,332)
Financing activities		
Repayments of capital element of finance lease liabilities	(34)	(121)
Interest element of finance lease payments	(1)	(4)
Repayments of other loans	(16,000)	(19,900)
Interest on bank borrowings and other loans	(7,365)	(9,284)
Proceeds from bank borrowings	141,863	146,690
Repayments of bank borrowings	<u>(142,101)</u>	<u>(150,066)</u>
Net cash used in financing activities	(23,638)	(32,685)
Net (decrease)/increase in cash and cash equivalents	(5,481)	4,901
Cash and cash equivalents at beginning of year	25,021	19,520
Effect of foreign exchange rate changes, net	<u>127</u>	<u>600</u>
Cash and cash equivalents at end of year	<u>19,667</u>	<u>25,021</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u>19,667</u>	<u>25,021</u>

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.

Group

	Share capital	Share premium	Other reserves	Exchange reserve	Retained profits	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1.7.2015	133,557	33,961	9,468	(19,144)	1,041	158,883
Profit for the year	-	-	-	-	4,636	4,636
Other comprehensive income, net of income tax						
- Exchange gain on translation of financial statements of foreign operations	-	-	-	2,955	-	2,955
Total comprehensive income for the year	-	-	-	2,955	4,636	7,591
Appropriation to other reserves	-	-	748	-	(748)	-
At 30.6.2016 and 1.7.2016	133,557	33,961	10,216	(16,189)	4,929	166,474
Profit for the year	-	-	-	-	3,294	3,294
Other comprehensive income, net of income tax						
- Exchange gain on translation of financial statements of foreign operations	-	-	-	382	-	382
Total comprehensive income for the year	-	-	-	382	3,294	3,676
Appropriation to other reserves	-	-	694	-	(694)	-
At 30.6.2017	133,557	33,961	10,910	(15,807)	7,529	170,150

- 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.

Company

	Share capital	Share premium	Exchange reserve	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1.7.2015	133,557	33,961	(42,216)	(17,943)	107,359
Loss for the year	-	-	-	(3,749)	(3,749)
Other comprehensive income, net of income tax					
- Exchange loss on translation of the Company's financial statements to RMB	-	-	8,871	-	8,871
Total comprehensive income for the year	-	-	8,871	(3,749)	5,122
At 30.6.2016 and 1.7.2016	133,557	33,961	(33,345)	(21,692)	112,481
Loss for the year	-	-	-	(3,626)	(3,626)
Other comprehensive income, net of income tax					
- Exchange gain on translation of the Company's financial statements to RMB	-	-	1,769	-	1,769
Total comprehensive income for the year	-	-	1,769	(3,626)	(1,857)
At 30.6.2017	133,557	33,961	(31,576)	(25,318)	110,624

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Not applicable.

- 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.

	Ordinary shares	
	As at 30.6.2017	As at 30.6.2016
Total number of issued shares	12,650,000	12,650,000

(There were no treasury shares)

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

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 in item 5 below, the same accounting policies and methods of computations used in the audited financial statements for the year ended 30 June 2016 have been applied to the financial statements for the current year.

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.

The Group has adopted the applicable new and amended International Financial Reporting Standards ("IFRS") that are effective during the year. The adoption of these new and amended IFRS did not result in significant changes to the Group's accounting policies.

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.

	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2017</u> <u>RMB cents</u>	<u>Group</u> <u>Year</u> <u>ended</u> <u>30.6.2016</u> <u>RMB cents</u>
Basic earnings per ordinary share	<u>26.04</u>	<u>36.65</u>

Basic earnings per ordinary share for year ended 30 June 2017 are calculated based on the profit attributable to the owners of the Company of approximately RMB3,294,000 (2016: RMB4,636,000) divided by 12,650,000 (2016: 12,650,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 30 June 2017 and 2016 are the same as the basic earnings per share, as the Group has no dilutive potential shares during both years.

7. **Net assets value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**
- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	As at	As at	As at	As at
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RMB cents	RMB cents	RMB cents	RMB cents
Net assets value per ordinary share	<u>1,345.06</u>	<u>1,316.00</u>	<u>874.50</u>	<u>889.18</u>

Net assets value per ordinary share is calculated based on the issued ordinary shares of 12,650,000 ordinary shares as at 30 June 2017 and 30 June 2016.

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.**

(a) **Review of Profit and Loss**

FY2017 vs FY2016

Group Revenue

Group revenue in FY2017 increased by 3.4% to RMB515.6 million from RMB498.8 million in FY2016. This was attributed mainly to higher sales of the biaxially oriented polypropylene films ("BOPP films") in FY2017.

Sales of BOPP films improved by 10.2% from RMB293.1 million in FY2016 to RMB323.0 million in FY2017, attributed mainly to higher average selling prices. The Group witnessed encouraging results from its efforts to grow the sales of its higher-grade BOPP films.

Sales of industrial specialty tapes ("IS tapes") decreased marginally by 2.8% from RMB120.6 million in FY2016 to RMB117.2 million in FY2017 due mainly to lower average selling prices. Revenue derived from General tapes declined 11.4% from RMB85.1 million in FY2016 to RMB75.4 million in FY2017 due mainly to slower demand from overseas markets and pressure on selling prices.

As a percentage of Group revenue, the BOPP films and IS tapes segments accounted for approximately 62.6% and 22.7% respectively in FY2017. The remaining 14.7% was contributed by the General tapes business.

In terms of revenue by geographical markets, sales to the domestic market improved 10.7% from RMB405.3 million in FY2016 to RMB448.7 million in FY2017, and accounted for 87.0% of Group revenue in FY2017. This was driven by a broad-based increase in sales from the BOPP films, IS tapes and General tapes segments.

The increased sales from the domestic market more than offset the decline in revenue from overseas markets which contracted by 28.4% from RMB93.5 million in FY2016 to RMB66.9 million in FY2017 due to weaker demand.

Group Gross Profit and Gross Profit Margin

The Group's gross profit decreased 17.5% from RMB64.3 million in FY2016 to RMB53.0 million in FY2017. This was due mainly to an increase in raw material costs and production overheads as well as competitive pressure on average selling prices. In addition, the Group recorded a write-down in inventories of RMB2.2 million in FY2017 as compared to a write-back of inventories of RMB1.3 million in FY2016, which resulted in a negative change of RMB3.5 million.

Consequently, the Group's gross profit margin narrowed from 12.9% in FY2016 to 10.3% in FY2017.

Other Income

Other income decreased from RMB2.0 million in FY2016 to RMB1.3 million in FY2017. This was due mainly to the absence of a write-back of impairment loss on property, plant and equipment, offset partially by higher net gain on sales of raw materials.

Selling and Distribution Costs, Administrative and Other Operating Expenses

The selling and distribution costs fell 12.6% from RMB17.0 million in FY2016 to RMB14.9 million in FY2017 as a result of lower transportation costs, export fees and overseas sales commission in tandem with the decrease in sales to overseas markets.

Administrative expenses decreased 10.8% from RMB28.4 million in FY2016 to RMB25.4 million in FY2017. This was mainly because the Group recorded a foreign exchange gain of RMB0.1 million in FY2017 as opposed to a foreign exchange loss of RMB1.5 million in FY2016. The decline in administrative expenses was also attributed to a decrease in certain PRC local urban maintenance and miscellaneous government levies, and celebration expenses recorded in FY2016 in conjunction with the twentieth anniversary of the Group's PRC plant in FY2016.

Other operating expenses decreased from RMB2.8 million in FY2016 to RMB0.3 million in FY2017 mainly due to the absence of impairment of trade receivables of RMB2.3 million provided in FY2016.

Finance Costs

Finance costs fell 20.9% from RMB10.0 million in FY2016 to RMB7.9 million in FY2017 in tandem with a net decrease in total borrowings.

Group Net Profit

As a result of the aforesaid, the Group's net profit decreased by 28.9% or RMB1.3 million from RMB4.6 million in FY2016 to RMB3.3 million in FY2017.

(b) Review of Financial Position as at 30 June 2017

Non-current assets decreased from RMB110.5 million as at 30 June 2016 to RMB99.1 million as at 30 June 2017. The deposits for purchase of new property, plant and equipment of RMB5.6 million were for the addition of new production lines and related infrastructures. The increase in deposits was offset by depreciation of RMB18.2 million during FY2017.

Inventories increased from RMB55.3 million as at 30 June 2016 to RMB63.4 million as at 30 June 2017 due mainly to increase in stock of finished goods to fulfill customers' orders in anticipation of a scheduled maintenance of the BOPP films production line.

Trade receivables remained stable at RMB173.3 million as at 30 June 2017 compared to RMB173.0 million as at 30 June 2016. Debtor turnover days shortened from 127 days in FY2016 to 123 days for FY2017.

Prepayments, deposits and other receivables decreased from RMB15.7 million as at 30 June 2016 to RMB10.3 million as at 30 June 2017 due mainly to the decrease in deposits paid to suppliers in tandem with the decrease in overseas sales.

Cash and bank balances decreased from RMB25.0 million as at 30 June 2016 to RMB19.7 million as at 30 June 2017.

Total borrowings also declined from RMB168.6 million as at 30 June 2016 to RMB152.4 million as at 30 June 2017 mainly due to repayment of other loans of RMB16.0 million during the year.

Trade and bills payables increased from RMB25.1 million as at 30 June 2016 to RMB27.0 million as at 30 June 2017 due mainly to the increase in purchases from overseas suppliers on credit terms, while accrued expenses, deposits received and other payables decreased to RMB16.4 million as at 30 June 2017 from RMB19.4 million as at 30 June 2016 due mainly to lower accrued overseas sales commission in tandem with the decrease in overseas sales.

Income tax payables increased slightly from RMB0.9 million as at 30 June 2016 to RMB1.0 million as at 30 June 2017.

Group Cash Flows

Net cash generated from operating activities in FY2017 amounted to RMB25.0 million. This was derived primarily from operating profit before working capital changes of RMB34.4 million offset by net working capital outflows of RMB6.9 million, and payment of income taxes of RMB2.5 million.

Net cash used in investing activities was RMB6.9 million, attributed mainly to the deposits paid for purchases of plant and equipment to set up new IS tapes production lines. Net cash used in financing activities was RMB23.6 million, due mainly to interest payments, as well as repayments of other loans.

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

N/A

- 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.**

Increasing raw material costs, continued price pressures and potentially higher overhead costs arising from a tight labour situation and stricter compliance with environmental policies, the Group expects the operating environment to stay challenging. In addition, the Group's financial performance is also subject to other factors such as fluctuations in foreign exchange rates.

While selling prices for certain products can be adjusted to offset higher raw material costs, this process usually takes time and such price adjustments may not be able to fully compensate for the higher costs due to keen market competition.

To manage these challenges, the Group's strategy will be to continue focusing on the higher value products within the IS tapes and BOPP films segments that command better profit margins while expanding business opportunities with existing and new customers. Concurrently, the Group will continue with its efforts to raise production efficiency and optimise operating expenses to mitigate the impact of price and cost pressures.

The Group supplies a wide range of IS tapes for the consumer electronics industry from home appliances to personal smartphones and devices. As a qualified supplier of IS tapes for leading brands of smartphones and other handheld consumer devices, the Group continues to build on its relationships with existing customers by developing IS tapes according to customers' specifications to support the launch of their new products. The Group will also continue to leverage its in-house research and development expertise to identify and explore new product opportunities in tandem with market trends and requirements.

In response to customers' needs for higher quality products and more stringent manufacturing standards, the Group is currently in the process of setting up clean-room facilities for two new IS tapes production lines. These new production lines are expected to be operationally ready before end of 2017.

As for its BOPP films business, the Group received encouraging customers' responses to its higher grade and more sophisticated products during the past year. It aims to continue enhancing this product segment's sales mix through higher engagement with existing customers and by seeking new customers. The Group will continue to maintain and enhance its BOPP films manufacturing line to achieve optimal quality and production efficiency.

11. Dividend

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date Payable

Not applicable.

(d) Books closure date

Not Applicable.

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

No dividend has been declared or recommended for the financial year ended 30 June 2017.

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

There was no IPT in FY2017.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

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

15. 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.

	2017					
	Manufacture of General Tapes RMB'000	Manufacture of Industrial Tapes RMB'000	Manufacture of BOPP films RMB'000	Trading of tapes and BOPP films RMB'000	Eliminations RMB'000	Group RMB'000
Revenue from external customers	38,074	89,615	321,056	66,853		515,598
Other income	142	194	669	-		1,005
Inter-segment sales	30,017	20,890	1,833	-	(52,740)	-
Reportable segment revenue	68,233	110,699	323,558	66,853	(52,740)	516,603
Reportable segment results	(6,209)	9,220	12,473	2,575	-	18,059

	2016					
	Manufacture of General Tapes RMB'000	Manufacture of Industrial Tapes RMB'000	Manufacture of BOPP films RMB'000	Trading of tapes and BOPP films RMB'000	Eliminations RMB'000	Group RMB'000
Revenue from external customers	27,395	88,781	289,168	93,411	-	498,755
Other income	132	159	535	-	-	826
Inter-segment sales	51,304	22,711	3,832	-	(77,847)	-
Reportable segment revenue	78,831	111,651	293,535	93,411	(77,847)	499,581
Reportable segment results	(1,598)	14,989	4,775	3,558	-	21,724

	Revenue from external customers	
	2017 RMB'000	2016 RMB'000
The PRC	448,745	405,344
Hong Kong	38,827	73,013
Other countries	28,026	20,398
	515,598	498,755

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

Not applicable.

17. A breakdown of sales.

	Group		
	Year ended 30.6.2017 RMB'000	Year ended 30.6.2016 RMB'000	+ / (-) %
Revenue reported for the 1st half year	264,075	262,872	0.5%
Operating profit after tax for 1st half year	1,580	2,441	(35.3%)
Revenue reported for the 2nd half year	251,523	235,883	6.6%
Operating profit after tax for 2nd half year	1,714	2,195	(21.9%)

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

	Year ended 30.6.2017 RMB'000	Year ended 30.6.2016 RMB'000
Ordinary	NIL	NIL
Total	NIL	NIL

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

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Leung Hi Man	36	Daughter of Mr Leung Chee Kwong, Chief Executive Director and Executive Chairman	<p>Assistant Sales Manager in the Sales and Marketing Department of the Hong Kong subsidiary, Luxking International Chemicals Limited, since October 2005.</p> <p>In addition, she is also responsible for the Sales and Marketing Department of Hong Kong subsidiary, China King International Trading Limited, since October 2006.</p>	N/A

BY ORDER OF THE BOARD

Lisa Cheng
Company Secretary

28 August 2017