



# CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

Company registration number: 200712727W

## Unaudited Financial Statements for the Financial Period ended 31 December 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

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

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

	Note	Group (HK\$'000)		Change %	Group (HK\$'000)		Change %
		3 months ended 31-Dec-18 ("3Q2019")	31-Dec-17 ("3Q2018") (Restated)		9 months ended 31-Dec-18 ("9M2019")	31-Dec-17 ("9M2018") (Restated)	
<b><u>Consolidated Income Statement</u></b>							
<b><u>Continuing operations</u></b>							
Revenue		13,277	15,390	(13.7)	29,264	36,301	(19.4)
Cost of sales		(9,248)	(10,005)	(7.6)	(21,892)	(24,226)	(9.6)
<b>Gross profit</b>		<b>4,029</b>	<b>5,385</b>	<b>(25.2)</b>	<b>7,372</b>	<b>12,075</b>	<b>(38.9)</b>
<b>Other items of income</b>							
Interest income		83	128	(35.2)	390	273	42.9
Other income	1	116	396	(70.7)	3,394	468	625.2
<b>Other items of expense</b>							
Selling and distribution expenses		(1,065)	(929)	14.6	(1,904)	(1,733)	9.9
General and administrative expenses		(3,366)	(3,615)	(6.9)	(10,031)	(9,090)	10.4
Other charges	2	(83)	(717)	(88.4)	(494)	(1,840)	(73.2)
<b>(Loss)/Profit before taxation</b>	3	<b>(286)</b>	<b>648</b>	n.m.	<b>(1,273)</b>	<b>153</b>	n.m.
<b>(Loss)/Profit from continuing operations, net of tax</b>		<b>(286)</b>	<b>648</b>	n.m.	<b>(1,273)</b>	<b>153</b>	n.m.
<b><u>Discontinued operation</u></b>							
<b>Profit from discontinued operation, net of tax</b>	4	<b>-</b>	<b>22,926</b>	n.m.	<b>1,034</b>	<b>20,476</b>	(95.0)
<b>(Loss)/Profit for the period</b>		<b>(286)</b>	<b>23,574</b>	n.m.	<b>(239)</b>	<b>20,629</b>	n.m.

n.m. : not meaningful

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

	Group		Change %	Group		Change %
	3Q2019 HK\$'000	3Q2018 HK\$'000 (Restated)		9M2019 HK\$'000	9M2018 HK\$'000 (Restated)	
<b>Attributable to:</b>						
<b>Owners of the Company</b>						
(Loss)/Profit from continuing operations, net of tax	(286)	648	n.m.	(1,273)	153	n.m.
Profit from discontinued operations, net of tax	-	13,140	n.m.	590	11,747	(95.0)
<b>(Loss)/Profit for the period attributable to owners of the Company</b>	<b>(286)</b>	<b>13,788</b>	n.m.	<b>(683)</b>	<b>11,900</b>	n.m.
<b>Non-controlling interests</b>						
Profit from discontinued operations, net of tax	-	9,786	n.m.	444	8,729	(94.9)
<b>Profit for the period attributable to non-controlling interests</b>	<b>-</b>	<b>9,786</b>	n.m.	<b>444</b>	<b>8,729</b>	(94.9)
<b>(Loss)/Profit for the period</b>	<b>(286)</b>	<b>23,574</b>	n.m.	<b>(239)</b>	<b>20,629</b>	n.m.
<b>Other comprehensive income:</b>						
Items that may be subsequently reclassified to profit & loss:						
Foreign currency translation	(79)	1,540	n.m.	(4,589)	2,717	n.m.
Items that may not be subsequently reclassified to profit & loss:						
Foreign currency translation	(21)	1,554	n.m.	(6,126)	4,332	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<b>(100)</b>	<b>3,094</b>	n.m.	<b>(10,715)</b>	<b>7,049</b>	n.m.
<b>Total comprehensive income for the period</b>	<b>(386)</b>	<b>26,668</b>	n.m.	<b>(10,954)</b>	<b>27,678</b>	n.m.
<b>Attributable to:</b>						
<b>Owners of the Company</b>						
Owners of the Company	(386)	16,023	n.m.	(9,101)	16,951	n.m.
Non-controlling interests	-	10,645	n.m.	(1,853)	10,727	n.m.
<b>Total comprehensive income for the period</b>	<b>(386)</b>	<b>26,668</b>	n.m.	<b>(10,954)</b>	<b>27,678</b>	n.m.
<b>Attributable to:</b>						
<b>Owners of the Company</b>						
Total comprehensive income from continuing operations, net of tax	(386)	1,743	n.m.	(6,313)	3,049	n.m.
Total comprehensive income from discontinued operations, net of tax	-	14,280	n.m.	(2,788)	13,902	n.m.
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<b>(386)</b>	<b>16,023</b>	n.m.	<b>(9,101)</b>	<b>16,951</b>	n.m.

n.m. : not meaningful

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

	Group			Group		
	3Q2019	3Q2018	Change	9M2019	9M2018	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
		(Restated)			(Restated)	
<b>Note 1 – Other income</b>						
Sale of raw materials/ scrap materials	68	-	n.m.	109	35	211.4
Gain on disposal of property, plant and equipment	44	79	(44.3)	44	114	(61.4)
Government grants related to income	23	317	(92.7)	60	319	(81.2)
Net foreign exchange (loss)/gain	(19)	-	n.m.	2,482	-	n.m.
Cumulative exchange gain in respect of the net assets of the subsidiary reclassified from equity on loss of control of the subsidiary	-	-	n.m.	699	-	n.m.
	<u>116</u>	<u>396</u>	<u>(70.7)</u>	<u>3,394</u>	<u>468</u>	<u>625.2</u>
<b>Note 2 – Other charges</b>						
Net foreign exchange loss	-	603	n.m.	-	1,705	n.m.
Impairment loss on doubtful trade and other receivables	(1)	-	n.m.	73	-	n.m.
Impairment loss on inventories	84	114	(26.3)	409	135	203.0
Others	-	-	n.m.	12	-	n.m.
	<u>83</u>	<u>717</u>	<u>(88.4)</u>	<u>494</u>	<u>1,840</u>	<u>(73.2)</u>
<b>Note 3 – (Loss)/Profit before taxation</b>						
This is determined after charging the following:						
Depreciation of property, plant and equipment	298	250	19.2	897	710	26.3
Research and product testing expenses	473	242	95.5	1,801	771	133.6
<b>Note 4 – Profit from discontinued operation, net of tax</b>						
The financial results of discontinued operation are as follows:						
Revenue	-	54,492	n.m.	-	95,424	n.m.
Expenses	-	(27,266)	n.m.	(406)	(70,785)	(99.4)
Profit/(Loss) from operation	-	27,226	n.m.	(406)	24,639	n.m.
Interest income	-	42	n.m.	12	126	(90.5)
Reversal of impairment loss on inventories	-	621	n.m.	-	669	n.m.
Gain on disposal of property, plant and equipment	-	2,806	n.m.	-	2,811	n.m.
Fixed assets written off	-	(5,872)	n.m.	-	(5,872)	n.m.
Profit/(Loss) before tax from discontinued operation	-	24,823	n.m.	(394)	22,373	n.m.
Taxation	-	(1,897)	n.m.	1,428	(1,897)	n.m.
Profit from discontinued operation, net of tax	-	<u>22,926</u>	n.m.	<u>1,034</u>	<u>20,476</u>	<u>(95.0)</u>

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 As at 31-Dec-18  HK\$'000	Group As at 31-Mar-18 (Restated) HK\$'000	Group As at 1-Apr-17 (Restated) HK\$'000	Company As at 31-Dec-18  HK\$'000	Company As at 31-Mar-18  HK\$'000
<b>Non-current assets</b>					
Investment in subsidiaries	-	-	-	44,465	48,739
Property, plant and equipment	5,858	3,336	14,673	-	-
Prepayments	358	-	890	-	-
<b>Total non-current assets</b>	<b>6,216</b>	<b>3,336</b>	<b>15,563</b>	<b>44,465</b>	<b>48,739</b>
<b>Current assets</b>					
Inventories	6,766	8,055	26,789	-	-
Trade and other receivables	14,094	54,082	41,308	-	-
Prepayments	1,956	72	3,479	67	72
Amount due from related parties	-	-	-	19,347	23,142
Cash and bank balances	48,699	64,041	43,092	316	308
<b>Total current assets</b>	<b>71,515</b>	<b>126,250</b>	<b>114,668</b>	<b>19,730</b>	<b>23,522</b>
<b>Total Assets</b>	<b>77,731</b>	<b>129,586</b>	<b>130,231</b>	<b>64,195</b>	<b>72,261</b>
<b>Current liabilities</b>					
Trade and other payables	5,984	8,577	39,303	-	-
Other liabilities	12,009	14,880	16,482	1,331	1,980
Amount due to related parties	225	208	323	-	-
Deferred government grants	182	200	181	-	-
Provision for taxation	48	1,914	326	-	-
<b>Total current liabilities</b>	<b>18,448</b>	<b>25,779</b>	<b>56,615</b>	<b>1,331</b>	<b>1,980</b>
<b>Net current assets</b>	<b>53,067</b>	<b>100,471</b>	<b>58,053</b>	<b>18,399</b>	<b>21,542</b>
<b>Total liabilities</b>	<b>18,448</b>	<b>25,779</b>	<b>56,615</b>	<b>1,331</b>	<b>1,980</b>
<b>Net assets</b>	<b>59,283</b>	<b>103,807</b>	<b>73,616</b>	<b>62,864</b>	<b>70,281</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	148,309	148,309	148,309	148,309	148,309
Accumulated losses	(29,105)	(29,981)	(38,875)	(95,293)	(94,002)
Restructuring reserve	(74,397)	(74,397)	(74,397)	-	-
Statutory reserve	-	1,559	423	-	-
Foreign currency translation reserve	14,476	23,593	15,194	9,848	15,974
	59,283	69,083	50,654	62,864	70,281
Non-controlling interests	-	34,724	22,962	-	-
<b>Total equity</b>	<b>59,283</b>	<b>103,807</b>	<b>73,616</b>	<b>62,864</b>	<b>70,281</b>
<b>Total equity and liabilities</b>	<b>77,731</b>	<b>129,586</b>	<b>130,231</b>	<b>64,195</b>	<b>72,261</b>

**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.**

	<b>Group As at 31-Dec-18  HK\$'000</b>	<b>Group As at 31-Mar-18 (Restated) HK\$'000</b>	<b>Group As at 1-Apr-17 (Restated) HK\$'000</b>
<b>Note 1 – Inventories</b>			
Raw materials	902	1,463	4,783
Work in progress	5,462	6,024	5,238
Finished goods	402	568	16,768
	6,766	8,055	26,789
	6,766	8,055	26,789

**Note 2 – Trade and other receivables**

Trade receivables	11,252	14,539	36,140
Bill receivables	2,164	12,673	3,069
Other receivables	678	26,870	2,099
	14,094	54,082	41,308
	14,094	54,082	41,308

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

**Amount repayable in one year or less, or on demand**

**(In HK\$'000)**

<b>As at 31 December 2018</b>		<b>As at 31 March 2018 (Restated)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	-	-	-

**Amount repayable after one year**

**(In HK\$'000)**

<b>As at 31 December 2018</b>		<b>As at 31 March 2018 (Restated)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	-	-	-

**Details of any collateral**

The Group did not have any bank borrowings or debt securities as at 31 December 2018 and 31 March 2018.

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

	Notes	Group (HK\$'000)		Group (HK\$'000)	
		3Q2019	3Q2018 (Restated)	9M2019	9M2018 (Restated)
<b>Operating activities</b>					
(Loss)/Profit before tax from continuing operations		(286)	648	(1,273)	153
Profit/(Loss) before tax from discontinued operation		-	24,823	(394)	22,373
(Loss)/Profit before tax, total		(286)	25,471	(1,667)	22,526
Adjustments for:					
Depreciation of property, plant and equipment	A	298	711	897	2,321
Impairment loss/(Reversal of impairment loss) on inventories	B	84	(507)	409	(534)
Impairment loss on doubtful trade and other receivables		(1)	-	73	-
Gain on disposal of property, plant and equipment	C	(44)	(2,886)	(44)	(2,925)
Fixed assets written off		-	5,872	-	5,872
Interest income	D	(83)	(170)	(402)	(399)
Unrealised foreign exchange loss/(gain)		19	603	(3,181)	1,705
Operating cash flows before working capital changes		(13)	29,094	(3,915)	28,566
(Increase)/Decrease in:					
Trade and other receivables		(4,359)	1,800	8,438	6,619
Inventories		601	22,335	191	20,882
Prepayments		(1,442)	1,790	(1,946)	3,075
Increase/(Decrease) in:					
Trade and other payables		914	(28,842)	(1,859)	(28,172)
Other liabilities		1,052	(39,605)	(84)	(747)
Amount due to related parties, net		(442)	(325)	36	(382)
Cash flows (used in)/generated from operations		(3,689)	(13,753)	861	29,841
Interest received		83	170	402	399
Income tax paid		-	(1)	(276)	(319)
<b>Net cash flows (used in)/generated from operating activities</b>		<b>(3,606)</b>	<b>(13,584)</b>	<b>987</b>	<b>29,921</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment	E	(3,459)	(487)	(4,102)	(1,631)
Proceeds from disposal of property, plant and equipment		44	8,606	44	8,645
Net cash outflow on disposal of subsidiaries	F	-	-	(773)	-
<b>Net cash flows (used in)/from investing activities</b>		<b>(3,415)</b>	<b>8,119</b>	<b>(4,831)</b>	<b>7,014</b>
<b>Financing activities</b>					
Dividends paid to non-controlling interests		-	-	(6,348)	-
<b>Net cash flows used in financing activities</b>		<b>-</b>	<b>-</b>	<b>(6,348)</b>	<b>-</b>
Net (decrease)/increase in cash and cash equivalents		(7,021)	(5,465)	(10,192)	36,935
Effect of exchange rate changes on cash and cash equivalents		207	2,618	(5,150)	4,910
Cash and cash equivalents at beginning of financial period		55,513	87,784	64,041	43,092
<b>Cash and cash equivalents at end of financial period</b>		<b>48,699</b>	<b>84,937</b>	<b>48,699</b>	<b>84,937</b>

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

Group (HK\$'000)		Group (HK\$'000)	
3Q2019	3Q2018 (Restated)	9M2019	9M2018 (Restated)

**Note A:**

**Depreciation of property, plant and equipment:**

Depreciation of property, plant and equipment from continuing operations	298	250	897	710
Depreciation of property, plant and equipment from discontinued operation	-	461	-	1,611
Total depreciation of property, plant and equipment	<b>298</b>	<b>711</b>	<b>897</b>	<b>2,321</b>

**Note B:**

**Impairment loss/(reversal of impairment loss) on inventories:**

Impairment loss on inventories from continuing operations	84	114	409	135
Reversal of impairment loss on inventories from discontinued operation	-	(621)	-	(669)
Total impairment loss/(reversal of impairment loss) on inventories	<b>84</b>	<b>(507)</b>	<b>409</b>	<b>(534)</b>

**Note C:**

**Gain on disposal of property, plant and equipment:**

Gain on disposal of property, plant and equipment from continuing operations	44	79	44	114
Gain on disposal of property, plant and equipment from discontinued operation	-	2,807	-	2,811
Total gain on disposal of property, plant and equipment	<b>44</b>	<b>2,886</b>	<b>44</b>	<b>2,925</b>

**Note D:**

**Interest income:**

Interest income from continuing operations	83	128	390	273
Interest income from discontinued operation	-	42	12	126
Total interest income	<b>83</b>	<b>170</b>	<b>402</b>	<b>399</b>

**Note E:**

**Cash outflow on purchase of property, plant and equipment:**

Aggregate cost of property, plant and equipment acquired	3,101	489	3,744	2,472
Add: Payment for prior years acquisitions	-	-	-	49
Add/(Less): Movement of outstanding payments	-	59	-	-
Less: Movement of prepayments made	358	(61)	358	(890)
Cash payments made to acquire property, plant and equipment	<b>3,459</b>	<b>487</b>	<b>4,102</b>	<b>1,631</b>

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

Group (HK\$'000)		Group (HK\$'000)	
3Q2019	3Q2018 (Restated)	9M2019	9M2018 (Restated)

**Note F:**

**Net cash outflow on disposal of a subsidiary:**

Cash consideration	-	-	2,346	-
Cash and cash equivalents of the subsidiary	-	-	(3,119)	-
Net cash outflow on disposal of a subsidiary	-	-	<b>(773)</b>	-



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.

	Attributable to owners of the Company					
	Equity, total	Equity attributable to owners of the Company, total	Share capital	Accumulated losses	Restructuring reserve	Foreign currency
						translation reserve
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Group</b>						
<b>3Q2019</b>						
Opening balance at 1 October 2018	59,669	59,669	148,309	(28,819)	(74,397)	14,576
Loss for the period	(286)	(286)	-	(286)	-	-
Other comprehensive income for the period, net of tax	(100)	(100)	-	-	-	(100)
Total comprehensive income for the period	(386)	(386)	-	(286)	-	(100)
Closing balance at 31 December 2018	59,283	59,283	148,309	(29,105)	(74,397)	14,476

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.

	Attributable to owners of the Company							Non-controlling interests HK\$'000
	Equity, total HK\$'000	Equity attributable to owners of the Company, total HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Restructuring reserve HK\$'000	Statutory reserve HK\$'000	Foreign currency translation reserve	
							HK\$'000	
<b>Group</b>								
<b>3Q2018</b>								
Opening balance at 1 October 2017	74,626	51,582	148,309	(40,619)	(74,397)	279	18,010	23,044
Loss for the period	23,574	13,788	-	13,788	-	-	-	9,786
Other comprehensive income for the period, net of tax	3,094	2,235	-	-	-	-	2,235	859
Total comprehensive income for the period	26,668	16,023	-	13,788	-	-	2,235	10,645
<u>Others</u>								
Appropriation to reserve	-	-	-	(1,297)	-	1,297	-	-
Total others	-	-	-	(1,297)	-	1,297	-	-
Closing balance at 31 December 2017	101,294	67,605	148,309	(28,128)	(74,397)	1,576	20,245	33,689

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.

	Attributable to owners of the Company							
	Equity, total	Equity attributable to owners of the Company, total	Share capital	Accumulated losses	Restructuring reserve	Statutory reserve	Foreign	Non-controlling interests
							currency translation reserve	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Group</b>								
<b>9M2019</b>								
Opening balance at 1 April 2018, as previously stated	104,388	69,664	148,309	(29,442)	(74,397)	1,559	23,635	34,724
Effects of adopting SFRS(I) 15	(581)	(581)	-	(539)	-	-	(42)	-
Opening balance at 1 April 2018, restated	103,807	69,083	148,309	(29,981)	(74,397)	1,559	23,593	34,724
(Loss)/Profit for the period	(239)	(683)	-	(683)	-	-	-	444
Other comprehensive income for the period, net of tax	(10,715)	(8,418)	-	-	-	-	(8,418)	(2,297)
Total comprehensive income for the period	(10,954)	(9,101)	-	(683)	-	-	(8,418)	(1,853)
<b>Others</b>								
Dividends paid to non-controlling interests	(6,348)	-	-	-	-	-	-	(6,348)
Appropriation to reserve	-	-	-	(58)	-	58	-	-
Disposal of a subsidiary	(27,222)	(699)	-	1,617	-	(1,617)	(699)	(26,523)
Total others	(33,570)	(699)	-	1,559	-	(1,559)	(699)	(32,871)
Closing balance at 31 December 2018	59,283	59,283	148,309	(29,105)	(74,397)	-	14,476	-

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.

	Attributable to owners of the Company							Non-controlling interests HK\$'000
	Equity, total HK\$'000	Equity attributable to owners of the Company, total HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Restructuring reserve HK\$'000	Statutory reserve HK\$'000	Foreign	
							currency translation reserve HK\$'000	
<b>Group</b>								
<b>9M2018</b>								
Opening balance at 1 April 2017, as previously stated	74,064	51,102	148,309	(38,417)	(74,397)	423	15,184	22,962
Effects of adopting SFRS(I) 15	(448)	(448)	-	(458)	-	-	10	-
Opening balance at 1 April 2017, restated	73,616	50,654	148,309	(38,875)	(74,397)	423	15,194	22,962
Profit for the period	20,629	11,900	-	11,900	-	-	-	8,729
Other comprehensive income for the period, net of tax	7,049	5,051	-	-	-	-	5,051	1,998
Total comprehensive income for the period	27,678	16,951	-	11,900	-	-	5,051	10,727
<b>Others</b>								
Appropriation to reserve	-	-	-	(1,153)	-	1,153	-	-
Total others	-	-	-	(1,153)	-	1,153	-	-
Closing balance at 31 December 2017	101,294	67,605	148,309	(28,128)	(74,397)	1,576	20,245	33,689

**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.**

**Attributable to owners of the Company**

	<b>Equity, total</b> HK\$'000	<b>Share</b> <b>capital</b> HK\$'000	<b>Accumulated</b> <b>losses</b> HK\$'000	<b>Foreign</b> <b>currency</b> <b>translation</b> <b>reserve</b> HK\$'000
<b>Company</b>				
<b>3Q2019</b>				
Opening balance at 1 October 2018	63,859	148,309	(94,319)	9,869
Loss for the period	(974)	-	(974)	-
Other comprehensive income for the period, net of tax	(21)	-	-	(21)
Total comprehensive income for the period	(995)	-	(974)	(21)
Closing balance at 31 December 2018	62,864	148,309	(95,293)	9,848

**Company**  
**3Q2018**

Opening balance at 1 October 2017	69,875	148,309	(90,209)	11,775
Loss for the period	(1,611)	-	(1,611)	-
Other comprehensive income for the period, net of tax	1,554	-	-	1,554
Total comprehensive income for the period	(57)	-	(1,611)	1,554
Closing balance at 31 December 2017	69,818	148,309	(91,820)	13,329

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.

	<b>Attributable to owners of the Company</b>			
	<b>Equity, total</b> HK\$'000	<b>Share</b> <b>capital</b> HK\$'000	<b>Accumulated</b> <b>losses</b> HK\$'000	<b>Foreign</b> <b>currency</b> <b>translation</b> <b>reserve</b> HK\$'000
<b>Company</b>				
<b>9M2019</b>				
Opening balance at 1 April 2018	70,281	148,309	(94,002)	15,974
Loss for the period	(1,291)	-	(1,291)	-
Other comprehensive income for the period, net of tax	(6,126)	-	-	(6,126)
Total comprehensive income for the period	(7,417)	-	(1,291)	(6,126)
Closing balance at 31 December 2018	62,864	148,309	(95,293)	9,848
<b>Company</b>				
<b>9M2018</b>				
Opening balance at 1 April 2017	68,936	148,309	(88,370)	8,997
Loss for the period	(3,450)	-	(3,450)	-
Other comprehensive income for the period, net of tax	4,332	-	-	4,332
Total comprehensive income for the period	882	-	(3,450)	4,332
Closing balance at 31 December 2017	69,818	148,309	(91,820)	13,329

- 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.**

	<b>Number of shares</b>	<b>Resultant issued and paid-up share capital (HK\$'000)</b>
Share capital as at 31 December 2018 and 30 September 2018	409,800,000	148,309

The Company had no outstanding convertibles, treasury shares or subsidiary holdings 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.

- 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.**

	<b>As at 31 December 2018 and 31 March 2018</b>
Total number of issued shares excluding treasury shares	409,800,000

The Company did not have any treasury shares as at 31 December 2018 and 31 March 2018.

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

Not applicable, as the Company did not have any treasury shares as at the end of the current financial period reported on.

- 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, as the Company did not have any subsidiary holdings as at the end of the current financial period reported on.

- 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 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.**

The Group had applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period as compared with the most recently audited annual financial statements for the financial year ended 31 March 2018, except for those disclosed in paragraph 5 below.

**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 Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and all the new and revised standards that are effective for current period beginning on or after 1 April 2018. The adoption of the new and revised standards does not have any significant impact on the financial statement except for SFRS(I) 15. The relevant impact of adopting SFRS(I) 15 is as follows:

SFRS(I) 15 – Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 using the full retrospective approach and applied all practical expedients available. With the application for SFRS(I) 15 on the financials as at 1 April 2018, the following accounts have been restated:

<b>Balance sheet</b>	<b>Group</b>	
	<b>As at 31 March 2018 (as restated)</b>	<b>As at 31 March 2018 (as previously stated)</b>
	HK\$'000	HK\$'000
<u>Current assets</u>		
Inventories	8,055	3,127
<u>Current liabilities</u>		
Other liabilities	14,880	9,371
<u>Equity</u>		
Accumulated losses	29,981	29,442
Foreign currency translation reserve	23,593	23,635

<b>Consolidated income statement</b>	<b>Group</b>		<b>Group</b>	
	<b>3Q2018 (as restated)</b>	<b>3Q2018 (as previously stated)</b>	<b>9M2018 (as restated)</b>	<b>9M2018 (as previously stated)</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	15,390	15,611	36,301	36,935
Cost of sales	10,005	10,347	24,226	24,913
Other charges	717	603	1,840	1,705



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

		Group			
		3Q2019	3Q2018 (Restated)	9M2019	9M2018 (Restated)
(Loss)/Profit for the period attributable to owners of the Group, after deducting any provision for preference dividends and non-controlling interests	HK\$'000	(286)	13,788	(683)	11,900
Basic (loss)/earnings per share	HK cents	(0.07)	3.36	(0.17)	2.90

Basic loss per share for the 3Q2019 and 9M2019 are calculated based on weighted average number of shares issued of 409,800,000 (3Q2018 and 9M2018: 409,800,000).

The fully diluted loss/earnings per share is not presented as there were no potential dilutive securities as at 31 December 2018 and 31 December 2017.

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

	Group		Company	
	31 Dec 2018	31 Mar 2018 (Restated)	31 Dec 2018	31 Mar 2018
Net assets per ordinary share after deducting non-controlling interests, based on 409.8 million shares as at 31 December 2018 (31 March 2018: 409.8 million shares)	HK cents	HK cents	HK cents	HK cents
	14.47	16.86	15.34	17.15

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:-**  
- 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  
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Completion of disposal of a subsidiary**

On 14 September 2018, the Group announced the disposal of Beijing Baiju Automobile Component Company Limited (“**BBJ**”) to Beijing Bo Hai Xing Ye Investment Company Limited (the “**Purchaser**”) for a consideration of approximately RMB 2.0 million which had been paid in full in September 2018.. Under the terms of the sale and purchase agreement, the Company and the Purchaser had agreed that the benchmark date for the disposal is fixed at 31 July 2018. As such, the disposal is deemed to have been completed on 31 July 2018 and the balance sheet of BBJ was de-consolidated from the Group's financial statements with effect from the benchmark date.

Following the completion of the disposal, there is no gain or loss on disposal of BBJ whilst a HK\$0.7 million of net foreign exchange translation gain was reclassified from equity to income statement in the second quarter of the financial year ending 31 March 2019.

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:-
- 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
  - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### **New Furniture Business**

In July 2018, shareholders' approval had been obtained to include the manufacturing and distribution of furniture and other related activities (the "Furniture Business") in the Group's core business. In December 2018, the Furniture Business commenced operation and contributed revenue of HK\$1.3 million and gross profit of HK\$0.1 million respectively for 3Q2019. Due to initial operating expenses such as marketing and administrative expenses, the Furniture Business recorded net losses of HK\$0.5 million and HK\$0.7 million for 3Q2019 and 9M2019 respectively.

#### **Financial period from 1 October 2018 to 31 December 2018 ("3Q2019") vs 1 October 2017 to 31 December 2017 ("3Q2018")**

#### **Income Statement**

#### **Continuing operations**

#### **Revenue and Gross Profit**

<b>Third quarter of the financial year (HK\$'000)</b>	<b>IMD and Plastic Injection Parts Business</b>	<b>Furniture Business</b>	<b>Total</b>
<b>3Q2019 Revenue</b>	11,932	1,345	<b>13,277</b>
<b>3Q2018 Revenue</b>	15,390	-	<b>15,390</b>
<b>% change</b>	(22.5)	n.m.	<b>(13.7)</b>
<b>3Q2019 Sales mix</b>	89.9%	10.1%	<b>100.0%</b>
<b>3Q2018 Sales mix</b>	100.0%	-	<b>100.0%</b>
<b>3Q2019 Gross profit</b>	3,909	120	<b>4,029</b>
<b>3Q2018 Gross profit</b>	5,385	-	<b>5,385</b>
<b>% change</b>	(27.4)	n.m.	<b>(25.2)</b>
<b>3Q2019 Gross profit margin</b>	32.8%	8.9%	<b>30.3%</b>
<b>3Q2018 Gross profit margin</b>	35.0%	-	<b>35.0%</b>
<b>Percentage point difference</b>	(2.2)	n.m.	<b>(4.7)</b>

*n.m.: not meaningful*

As tabulated above, our Group's revenue in 3Q2019 decreased by 13.7% as compared to 3Q2018, mainly due to decrease in sales from our In-Mould Decoration ("IMD") and the Plastic Injection Parts Business, offset by the revenue contributed from our Furniture Business which was absent in 3Q2018. Following the decrease in revenue, overall gross profit in 3Q2019 decreased by 25.2% as compared to 3Q2018, mainly arising from lower gross profit from our IMD business.

#### **IMD and Plastic Injection Parts Business**

Sale of IMD and plastic injection parts were mainly to electronics manufacturers in People Republic of China ("PRC") who supply consumer electronics and electrical appliances in the domestic and international markets. Revenue decreased by 22.5% in 3Q2019 as compared to 3Q2018 mainly due to lower revenue contributions from these electronic manufacturers who were adversely affected by the combined effects of poor market sentiment in PRC and decrease in the export sales to the United States ("US").

Following the decrease in capacity utilisation rate, coupled with the increase in rental expense of the IMD factory that arose from increased floor area following relocation of production area and renovation completed in FY2018 and considering that overheads costs are fixed, gross margin decreased from 35.0% in 3Q2018 to 32.8% in 3Q2019.

#### **Other items of income**

The decrease in interest income was attributable to a decrease in fixed deposits placed with the banks in PRC.

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:-**
- 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
  - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The decrease in other income in 3Q2019 was mainly due to decrease in government grants related to income in which a non-recurring government subsidy of HK\$0.3 million given for the Technological Advanced Domestic Enterprise, recorded in the previous corresponding period.

Other items of expense

Despite the decline in revenue, selling and distribution expenses increased by 14.6% in 3Q2019 as compared to 3Q2018, mainly due to increase in marketing and entertainment expenses incurred for existing and potential clients from both business segments.

General and administrative expenses decreased by 6.9% in 3Q2019 as compared to 3Q2018, mainly due to:

- Decrease in employee benefit expense and administrative expenses of HK\$0.7 million from our IMD business as a result of decrease in provision of employee performance bonus in line with decreased business volume; offset by
- Increase in research and product testing expenses of HK\$0.2 million, mainly arising from the development of new products as well as research activities for potential investment opportunities; and
- Rental expense, employee benefit expense and other administrative expenses of HK\$0.3 million incurred by the Furniture Business which commenced business this year.

The decrease in other charges was mainly due to the absence of foreign exchange loss incurred in 3Q2018 from the Group's inter-company balances.

Depreciation of plant and equipment increased mainly arose from the newly acquired plant and equipment and renovation works completed for our IMD business since 1 January 2018.

Arising from the above, the Group recorded a net loss of HK\$0.3 million from its continuing operations in 3Q2019 as compared to a net profit of HK\$0.6 million in 3Q2018.

**Discontinued operation**

Following the completion of the closure of automobile component production facilities in Beijing, no revenue and expense was recorded in 3Q2019.

**Financial period from 1 April 2018 to 31 December 2018 ("9M2019") vs 1 April 2017 to 31 December 2017 ("9M2018")**

**Income Statement**

**Continuing operations**

**Revenue and Gross Profit**

<b>First 9 months of the financial year (HK\$'000)</b>	<b>IMD and Plastic Injection Parts Business</b>	<b>Furniture Business</b>	<b>Total</b>
<b>9M2019 Revenue</b>	27,919	1,345	<b>29,264</b>
<b>9M2018 Revenue</b>	36,301	-	<b>36,301</b>
<b>% change</b>	(23.1)	n.m.	<b>(19.4)</b>
<b>9M2019 Sales mix</b>	95.4%	4.6%	<b>100.0%</b>
<b>9M2018 Sales mix</b>	100.0%	-	<b>100.0%</b>
<b>9M2019 Gross profit</b>	7,252	120	<b>7,372</b>
<b>9M2018 Gross profit</b>	12,075	-	<b>12,075</b>
<b>% change</b>	(39.9)	n.m.	<b>(38.9)</b>
<b>9M2019 Gross profit margin</b>	26.0%	8.9%	<b>25.2%</b>
<b>9M2018 Gross profit margin</b>	33.3%	-	<b>33.3%</b>
<b>Percentage point difference</b>	(7.3)	n.m.	<b>(8.1)</b>

*n.m.: not meaningful*

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:-**
- **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**
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Our Group's revenue in 9M2019 decreased by 19.4% as compared to 9M2018, mainly due to decrease in sales from our IMD and the Plastic Parts Business, offset by the maiden revenue contributed from our Furniture Business. Following the decrease in revenue, overall gross profit in 9M2019 decreased by 38.9% as compared to 9M2018, mainly arising from lower gross profit from our IMD business.

#### IMD and Plastic Injection Parts Business

Sale of IMD and plastic injection parts were mainly to electronics manufacturers in PRC who supply consumer electronics and electrical appliances in the domestic and international markets. Revenue decreased by 23.1% in 9M2019 as compared to 9M2018, mainly due to lower revenue contributions from these electronics manufacturers who were adversely affected by the combined effects of poor market sentiment in PRC and decrease in the export sales to US.

Following the decrease in capacity utilisation rate, coupled with the increase in rental expense of the IMD factory and considering that overheads costs are fixed, gross margin decreased from 33.3% in 9M2018 to 26.0% in 9M2019.

#### Other items of income

Despite the decline in cash and cash equivalent in 9M2019, interest income increased by HK\$0.1 million, mainly attributed to more efficient cash management with the banks in PRC.

The increase in other income in 9M2019 was mainly due to the foreign exchange gains arising mainly from the translation of Renminbi ("RMB") denominated payable balances to Hong Kong Dollars ("HKD"). This was largely attributable to the translation of inter-company balances between the Group's subsidiaries which utilises different functional currencies (i.e. RMB and HKD). In 9M2019, HKD appreciated by approximately 8.8% against RMB as compared to a depreciation of 6.5% in 9M2018. In addition, the increase in other income was also due to net foreign exchange translation gain reclassified from foreign currency translation reserve to income statement following the disposal of BBJ in accordance with SFRS(I) 21.

#### Other items of expense

Despite the decline in revenue, selling and distribution expenses increased by 9.9% in 9M2019 as compared to 9M2018, mainly due to increase in marketing and entertainment expenses incurred for existing and potential clients from our both business segments.

General and administrative expenses increased by 10.4% in 9M2019 as compared to 9M2018, mainly due to:

- Increase in research and product testing expenses of HK\$1.1 million, mainly arising from the development of new products as well as research activities for potential investment opportunities; and
- Rental expense, employee benefit expense and other administrative expenses of HK\$0.5 million incurred by the Furniture Business which commenced business this year.; offset by
- Decrease in employee benefit expense and other administrative expenses of HK\$0.8 million from our IMD business as a result of decrease in provision of employee performance bonus in line with decreased business volume.

The decrease in other charges was mainly due to the absence of foreign exchange loss recorded in 9M2018 from the Group's intercompany balances, offset by the increase in impairment losses on inventories and doubtful trade receivables that arose from an increasingly uncertain outlook.

Depreciation of plant and equipment increased mainly arose from the newly acquired plant and equipment and renovation works completed for our IMD business since 1 January 2018.

Arising from the above, the Group recorded a net loss of HK\$1.3 million from its continuing operations in 9M2019 as compared to a net profit of HK\$0.2 million in 9M2018.

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:-**
- **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**
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **Discontinued operation**

Following the completion of the closure of automobile component production facilities in Beijing, no revenue was generated and expenses in 9M2019 decreased by 99.4% as compared to 9M2018. The expenses incurred in 9M2019 mainly pertaining to employee benefits expenses and other administrative expenses for collection of outstanding debts, book-keeping, annual audit, tax filing etc.

An over-provision of income tax in prior reporting year was written back following the finalisation of income tax assessment with the local tax authorities. The over-provision arose from BBJ successfully obtaining a 15% preferential income tax rate as against the provision of standard income tax rate of 25% in previous year.

In view of the foregoing and the absence of non-recurring income and expenses which were recorded in 9M2018, the Group recorded a net profit of HK\$1.0 million from its discontinued operation in 9M2019 as compared to HK\$20.5 million in 9M2018.

#### **Other comprehensive income - Foreign currency translation**

The foreign currency translation loss arose mainly from the translation of our net asset position in our financial statements denominated in RMB to Hong Kong dollars when consolidating the Group's financials. HKD appreciated by approximately 0.1% and 8.8% against RMB in 3Q2019 and 9M2019 respectively as compared to an depreciation of 2.3% and 6.5% in 3Q2018 and 9M2018 respectively.

#### **Balance sheet**

##### **Non-current assets**

The increase in property, plant and equipment was mainly due to:

- Additions of HK\$3.7 million mainly relating to acquisition of plant and equipment and the capitalisation of renovation works of factories from both business segments; offset by
- Depreciation charges to date of HK\$0.9 million; and
- Foreign translation loss of HK\$0.3 million.

As at 31 December 2018, non-current prepayment comprised prepayments made mainly for the acquisition of office equipment and display furniture for our Furniture Business.

##### **Current assets**

Inventories as at 31 December 2018 decreased by 16.0% as compared to 31 March 2018 mainly due to the decrease in raw materials purchased and IMD moulds for the production of IMD products in line with decrease in sales.

Trade and other receivables as at 31 December 2018 decreased by 73.9% as compared to 31 March 2018 mainly due to:

- Disposal of BBJ which had HK\$27.3 million of trade and other receivables as at 31 July 2018; and
- Repayment by customers from both continuing and discontinued operations during the 9M2019; offset by
- Increase in trade and other receivables of our Furniture business which commenced operations in December 2018.

The increase in prepayment as at 31 December 2018 as compared to 31 March 2018 was mainly due to the increase in prepayments made to the suppliers for both business segments.

##### **Current liabilities**

Trade and other payables decreased by 30.2% as at 31 December 2018 as compared to 31 March 2018, mainly due to decrease in trade and other payables of our IMD operations as a result of decline in sales and production volume.

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:-**
- **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**
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Other liabilities as at 31 December 2018 decreased by 19.3% as compared to 31 March 2018, mainly due to:

- Decrease in accrued operating expenses following payments made during 9M2019; and
- Disposal of BBJ which had HK\$1.5 million of other liabilities as at 31 July 2018.

The decrease in provision for taxation was due to the write-back of over-provision of income tax in prior reporting year from discontinued operation following the finalisation of income tax assessment.

#### **Cash flow**

#### **Financial period from 1 October 2018 to 31 December 2018 ("3Q2019") vs 1 October 2017 to 31 December 2017 ("3Q2018")**

The Group's cash and cash equivalents decreased by HK\$7.0 million in 3Q2019. In 3Q2019, the Group recorded net cash flows used in operating activities of HK\$3.6 million. This was mainly due to working capital outflow of HK\$3.7 million, partially offset by interest received of HK\$0.1 million. The working capital outflow in 3Q2019 was mainly arisen from increases in trade and other receivables and prepayments of HK\$4.4 million and HK\$1.4 million respectively, and decrease in trade and other payables and other liabilities of HK\$0.9 million and HK\$1.1 million respectively, mainly due to higher revenue of HK\$11.9 million recorded in 3Q2019 as compared to HK\$7.4 million in the previous quarter, and timing difference of payments made to the suppliers and placing orders for the goods received in January 2019.

The Group also utilised HK\$3.4 million in 3Q2019 in investing activities mainly relating to acquisition of plant and equipment and renovation costs for both business segments.

There was no cash utilised or generated from financing activities during the financial period reported on.

#### **Financial period from 1 April 2018 to 31 December 2018 ("9M2019") vs 1 April 2017 to 31 December 2017 ("9M2018")**

The Group's cash and cash equivalents decreased by HK\$10.2 million in 9M2019, mainly attributed to the net cash inflows used in investing activities and financing activities of HK\$4.8 million and HK\$6.3 million respectively, offset by net cash flow generated from the operating activities of HK\$1.0 million.

The net cash inflow generated from operating activities was mainly due to working capital inflow of HK\$4.8 million and interest received of HK\$0.4 million, partially offset by operating cash outflow before movements in working capital of HK\$3.9 million and income tax payment of HK\$0.3 million.

The Group also utilised HK\$4.8 million in 9M2019 in investing activities mainly relating to acquisition of plant and equipment and renovation costs of HK\$4.1 million and net cash outflow on disposal of a subsidiary of HK\$0.8 million.

The Group paid dividends of HK\$6.3 million to non-controlling interest from its discontinued operation in 9M2019.

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

The financial results are in-line with the forecast statement disclosed in the Company's financial results announcement for the second quarter ended 30 September 2018, dated 7 November 2018.

**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.**

The Group's current business is largely contributed by the electronics manufacturers who supply their products to the domestic and international markets. With the continuing uncertainties over the PRC economic condition and weakening demand in the international markets, the manufacturing industry in PRC faces the challenge of slowing demand and rising cost. The Group expects overall business condition to remain challenging and volatile in this business environment. As such, the Group does not expect significant improvement in our IMD and Plastic Injection business. The Furniture Business had just commenced operation in December 2018 and requires time to gain traction and grow its market share. In view of the foregoing, the Group is likely to continue incurring losses in the short-run.

We will continue to improve the existing operations through higher productivity in our core businesses and strengthen collaboration with our existing and potential business partners. In addition, we will seek out other new products range and sales channels that will provide scalability and sustainability for our IMD and Plastic Injection Parts business and Furniture Business.

The Company will continue to explore new business opportunities and potential acquisitions of new businesses with long term prospects that are expected to improve the overall financial position of the Group.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.**

Due to the subdued financial performance of the Group and to invest in new business opportunities to improve the overall financial position of the Group, no dividend has been declared or recommended for the current reporting period on grounds of prudence.



**13. Interested person transactions (“IPTs”)**

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.

Name of Interested Person	Aggregate value of all interested person transactions during financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) HK\$’000	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000) HK\$’000
Shenzhen Kunda Precision Mould Co., Ltd <sup>(1)</sup> (“Shenzhen Precision”)  Rental of factory premises at Bao Long Yi Road, Shenzhen	1,261	-
<b>Total</b>	<b>1,261</b>	-

No interested person transaction mandate has been obtained from shareholders. Save for as disclosed above, there were no IPTs exceeding S\$100,000 entered into during the financial period reported on.

**Note:**

(1) Shenzhen Kunda Precision Mould Co., Ltd – a company incorporated in PRC. The shareholders of Shenzhen Precision are our Executive Chairman and CEO, Cai Kaoqun and our Executive Director Cai Kaobing who hold 95% and 5% of the equity interests in Shenzhen Precision respectively. The directors of Shenzhen Precision are Cai Kaoqun, and our Executive Director, Cai Kaobing.

**14. Confirmation that the Company has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalyst Rules.

**15. Confirmation by the Board pursuant to Rule 705(5) of the Catalyst Rules.**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the financial period ended 31 December 2018 to be false or misleading in any material aspect.

**On Behalf of the Board of Directors**

**Cai Kaoqun**  
Executive Chairman and CEO

**Cai Kaobing**  
Executive Director

**BY ORDER OF THE BOARD**  
**CAI KAOQUN**  
**EXECUTIVE CHAIRMAN AND CEO**  
28 January 2019