

Swing Media Technology Group Limited
Unaudited Full Year Financial Statements And Dividend Announcement For The
Financial Year Ended 31 March 2017

These figures have not been audited.

1 (a) A statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Year ended 31/3/2017 HK\$'000	Year ended 31/3/2016 HK\$'000	% increase/ (decrease)
Sales	1,137,419	1,113,095	2.2%
Cost of sales	(1,031,100)	(1,002,721)	2.8%
Gross profit	<u>106,319</u>	<u>110,374</u>	(3.7%)
Other income	1,791	2,327	(23.0%)
General and administrative expenses	(21,241)	(29,989)	(29.2%)
Profit from operations	<u>86,869</u>	<u>82,712</u>	5.0%
Finance costs	(10,201)	(9,965)	2.4%
Profit before income tax	<u>76,668</u>	<u>72,747</u>	5.4%
Income tax expense	(2,349)	(3,195)	(26.5%)
Profit for the year	<u>74,319</u>	<u>69,552</u>	6.9%
Other comprehensive income after tax:			
Exchange differences on translating foreign operations	(128)	130	N/M
Total comprehensive income for the year attributable to owners of the Company	<u><u>74,191</u></u>	<u><u>69,682</u></u>	6.5%

Profit for the year is arrived at after (charging) / crediting the following:

	Year ended 31/3/2017 HK\$'000	Year ended 31/3/2016 HK\$'000	% increase/ (decrease)
Other income	1	1	-
Income from leasing of machinery	172,600	154,800	11.5%
Interest income	248	201	23.4%
Fair value (loss)/gain on conversion option derivative of convertible bonds	(228)	1,045	(121.8%)
Fair value gain/(loss) on derivative instruments	409	(409)	N/M
Gain on derivative instruments	341	969	(64.8%)
Interest expenses	(10,201)	(9,965)	4.8%
Depreciation of property, plant & equipment	(169,657)	(147,781)	14.8%
Exchange (loss)/gain, net	791	111	612.6%
Loss on disposal of property, plant and equipment	-	(4,507)	N/M
Amortisation of convertible bond	(239)	(265)	N/M

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

	Group		Company	
	As at 31/3/2017 HK\$'000	As at 31/3/2016 HK\$'000	As at 31/3/2017 HK\$'000	As at 31/3/2016 HK\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	894,087	764,044	-	-
Investments in subsidiaries	-	-	1,010	1,010
	<u>894,087</u>	<u>764,044</u>	<u>1,010</u>	<u>1,010</u>
Current assets				
Inventories	289,501	290,316	-	-
Trade receivables	326,889	319,690	-	-
Other current assets	365,507	375,910	884	1,117
Due from subsidiaries	-	-	906,847	899,151
Cash and bank balances	55,305	61,055	86	113
	<u>1,037,202</u>	<u>1,046,971</u>	<u>907,777</u>	<u>900,381</u>
Total assets	<u>1,931,289</u>	<u>1,811,015</u>	<u>908,787</u>	<u>901,391</u>
EQUITY				
Capital and reserves				
Share capital	83,004	57,395	83,004	57,395
Share premium	457,124	424,679	457,124	424,679
Capital reserve	10,622	10,622	10,622	10,622
Contributed surplus	319,931	319,931	319,931	319,931
Foreign currency translation reserve	2,745	2,873	-	-
Share-based compensation reserve	5,196	5,196	5,196	5,196
Retained earnings	682,265	610,379	1,244	3,036
Total equity	<u>1,560,887</u>	<u>1,431,075</u>	<u>877,121</u>	<u>820,859</u>
LIABILITIES				
Non-current liabilities				
Obligations under finance leases	-	27	-	-
Long term bank borrowings	-	4,238	-	4,238
Deferred tax liabilities	47,027	45,600	-	-
Convertible bonds	-	34,515	-	34,515
	<u>47,027</u>	<u>84,380</u>	<u>-</u>	<u>38,753</u>
Current liabilities				
Trade payables	1,093	1,338	-	-
Other payables and accruals	5,348	5,012	3,812	3,556
Due to directors	261	218	261	218
Financial liabilities at fair value through profit or loss	-	409	-	-
Bank borrowings	259,456	253,787	5,296	38,005
Current portion of obligations under finance leases	27	226	-	-
Convertible bonds	22,296	-	22,297	-
Current tax liabilities	34,894	34,570	-	-
	<u>323,375</u>	<u>295,560</u>	<u>31,666</u>	<u>41,779</u>
Total liabilities	<u>370,402</u>	<u>379,940</u>	<u>31,666</u>	<u>80,532</u>
Total equity and liabilities	<u>1,931,289</u>	<u>1,811,015</u>	<u>908,707</u>	<u>901,391</u>

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/3/2017		As at 31/3/2016	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
259,483	-	254,013	-

Amount repayable after one year

As at 31/3/2017		As at 31/3/2016	
Secured	Unsecured	Secured	Unsecured
HK\$'000	HK\$'000	HK\$'000	HK\$'000
-	-	4,265	-

Notes:

On 16 May 2013, one of the subsidiaries, Swing Technology Limited, obtained a loan of SGD2,000,000 from a bank in Singapore. The loan is to be repaid in 12 quarterly payments which has been drawdown on 29 May 2013 and the first repayment was made on 28 August 2013 and the loan was fully repaid in May 2016.

Furthermore, on 6 November 2013, a two year term loan with principal amounting to HK\$50,000,000 was granted by a financial institution in Hong Kong to the Company for working capital purpose (HK\$40,000,000) and to finance the capital expenditure spending for upgrading the existing production lines of the Company's subsidiaries (HK\$10,000,000). The loan is to be repaid commencing 18 months after drawdown date on 3 equal quarterly payments starting May 2015. However, after the first payment, the loan was repaid in full in August 2015 by a new loan of HK\$34,000,000 by another bank resulting in a more favorable interest rate which was supposed to be due in full after one year from draw down, ie, August 2016. However, in June 2016, the bank increased the loan amount to HK\$50,000,000 with a new due date. The due date of the loan is June 2017, but the Company is now negotiating with the Bank to review the loan for another year.

During the year ended 31 March 2017, other trade facilities were obtained from several banks to support the Group's operations. However, the amount outstanding has decreased as some of the bills outstanding were repaid by the available funds from operation and the proceeds from the placement done in May 2016 and January 2017.

The bank loans and borrowings were secured by corporate guarantees given by the Company and some of its subsidiaries.

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

	Year ended 31/3/2017 HK\$'000	Year ended 31/3/2016 HK\$'000
Operating activities		
Profit before income tax	76,668	72,747
Adjustments for:		
Amortisation of convertible bond	239	265
Depreciation of property, plant & equipment	169,657	147,781
Interest expenses	10,201	9,965
Interest income	(248)	(201)
Exchange difference	(874)	-
Loss on disposal of property, plant and equipment	-	4,507
Fair value (gain)/loss on derivative instruments	(409)	409
Fair value loss/(gain) on conversion option derivative of convertible bonds	228	(1,045)
	<hr/>	<hr/>
Operating profit before working capital changes	255,462	234,428
Changes in working capital:		
Trade receivables	(7,199)	25,314
Inventories	815	6,185
Other current assets	10,130	(156,775)
Trade payables	(245)	379
Other payables and accruals	335	5,460
Due to directors	43	(103)
	<hr/>	<hr/>
Cash generated from operations	259,341	114,888
Tax paid	(598)	(3,831)
	<hr/>	<hr/>
Net cash generated from operating activities	258,743	111,057
	-----	-----
Investing activities		
Interest received	248	201
Purchase of property, plant and equipment	(299,700)	(190,579)
	<hr/>	<hr/>
Net cash used in investing activities	(299,452)	(190,378)
	-----	-----
Financing activities		
Dividend paid	(2,433)	-
Proceeds from convertible bonds	-	34,443
Proceeds from issue of ordinary shares, net of expenses	46,754	-
Proceeds from bank borrowings	828,616	877,423
Repayment of bank borrowings	(825,299)	(846,169)
Repayment of finance lease	(226)	(534)
Interest paid	(10,440)	(10,230)
	<hr/>	<hr/>
Net cash generated from financing activities	36,972	54,933
	-----	-----
Net decrease in cash and cash equivalents	(3,737)	(24,388)
Effect of foreign exchange rate changes	(128)	130
Cash and cash equivalents at beginning of year	57,005	81,263
	<hr/>	<hr/>
Cash and cash equivalents at end of year	53,140	57,005
	<hr/>	<hr/>
Analysis of cash and cash equivalents		
Cash and bank balances	55,305	61,055
Bank overdrafts	(2,165)	(4,050)
	<hr/>	<hr/>
	53,140	57,005

1(d)(i) A statement (for the Company and the Group) showing either (i) all changes in equity or (ii) equity changes in 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 HK\$'000	Share Premium HK\$'000	Capital reserve HK\$'000	Foreign currency translation reserve HK\$'000	Share-based compensation reserve HK\$'000	Contributed Surplus HK\$'000	Retained earnings HK\$'000	Total equity attributable to owners of the Company HK\$'000
At 31 March 2016	57,395	424,679	10,622	2,873	5,196	319,931	610,379	1,431,075
Exchange differences on translating foreign operations	-	-	-	(128)	-	-	-	(128)
Profit for the financial year	-	-	-	-	-	-	74,319	74,319
Issue of ordinary shares by placements	23,016	23,915	-	-	-	-	-	46,931
Issue of ordinary shares by conversion of convertible bonds	2,593	8,707	-	-	-	-	-	11,300
Share issue expenses	-	(177)	-	-	-	-	-	(177)
Dividends	-	-	-	-	-	-	(2,433)	(2,433)
At 31 March 2017	<u>83,004</u>	<u>457,124</u>	<u>10,622</u>	<u>2,745</u>	<u>5,196</u>	<u>319,931</u>	<u>682,265</u>	<u>1,560,887</u>

Company

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Share-based compensation reserve HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total Equity HK\$'000
At 31 March 2016	57,395	424,679	10,622	5,196	319,931	3,036	820,859
Profit for the financial year	-	-	-	-	-	641	641
Issue of ordinary shares by placements	23,016	23,915	-	-	-	-	46,931
Issue of ordinary shares by conversion of convertible bonds	2,593	8,707	-	-	-	-	11,300
Share issue expenses	-	(177)	-	-	-	-	(177)
Dividends	-	-	-	-	-	(2,433)	(2,433)
At 31 March 2017	<u>83,004</u>	<u>457,124</u>	<u>10,622</u>	<u>5,196</u>	<u>319,931</u>	<u>1,244</u>	<u>877,121</u>

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

Convertible Bonds

On 24 April 2015, the Company entered into an Agreement to issue an unsecured 6.0% convertible bonds with an aggregate principal amount of S\$6,000,000 which can be converted into a maximum of 90,909,090 new ordinary shares, at a conversion price of S\$0.066, due on the date falling 2 years from the date of issue. The issuance was approved in principal by SGX on 8 June 2015 and finally completed on 13 June 2015. However, following the share consolidation in September 2015, pursuant to Schedule 2 to the Bond Subscription Agreement (“**Bonds Conditions**”), the Board has subjected the Bonds to the adjustment mechanism as provided in Condition 6.3.1 of the Bonds Conditions, and determined that the conversion price of the Bonds has been adjusted from S\$0.066 to S\$1.32 upon completion of the share consolidation. The new conversion price upon completion of the share consolidation of S\$1.32 was obtained by multiplying the initial conversion price of S\$0.066 by the share consolidation ratio of 20.

On 23 September 2015, the Company allotted and issued 3,347,847 Bonus Shares pursuant to the Bonus Issue. The issue of the Bonus Shares constitutes an event giving rise to an adjustment to the conversion price of the outstanding Bonds pursuant to the Bonds Conditions.

Pursuant to the Bonds Conditions, the Board has subjected the outstanding Bonds to the adjustment mechanism as provided in Condition 6.3.2 of the Bonds Conditions, and determined that the conversion price of the Bonds has been adjusted from S\$1.32 to S\$1.20 upon the issue of 3,347,847 Bonus Shares. The new conversion price was obtained from the formula provided in Condition 6.3.2 of the Bonds Conditions:-

$$\text{NCP} = \text{OCP} \times \frac{\text{NSB}}{\text{NSA}}$$

where NCP is the new conversion price, OCP is the old conversion price, NSB is the aggregate number of Consolidated Shares immediately before the 3,347,847 Bonus Shares were issued and NSA is the number of Consolidated Shares immediately after the 3,347,847 Bonus Shares are issued.

The adjustment to the conversion price of the Bonds has resulted in the issue of an additional 454,546 new Consolidated Shares (“**Additional Conversion Shares**”) pursuant to the full conversion of the outstanding Bonds. Based on the adjusted conversion price of S\$1.20 and assuming no further adjustments to the conversion price, the maximum number of Additional Conversion Shares to be

allotted and issued by the Company, pursuant to the full conversion of the outstanding Bonds, is 5,000,000 instead of 4,545,454.

An application has been made to the SGX-ST for the dealing in, listing of and quotation for the Additional Conversion Shares following to the completion of Bonus Issue in September 2015, which the Company has obtained the approval-in-principal by SGX-ST on 4 November, 2015.

During the year ended 31 March 2017, one of the investor has requested to convert its investment of SGD2 million into ordinary shares. Subsequent, to that, 1,666,666 ordinary shares were issued. The outstanding of the convertible bond was recorded at SGD4 million as at 31 March 2017 which will mature on 12 June 2017.

Issued Share Capital

On 22 April 2016, the Group entered into a placement agreement with several parties. Under the placement agreement, 6,241,460 ordinary shares of US\$0.20 each were issued at an issue price of S\$0.533 per share on 31 May 2016.

Again on 23 January 2017, the Group entered into another placement agreement with several investors. Under this placement agreement, 8,549,997 ordinary shares of US\$0.20 each were issued at an issue price of S\$0.60 per share on 23 Feb 2017.

Issuance of Share Options

No new share options were granted during the year ended 31 March 2017. However, during the year, 29,000 of the options had expired and 13,400 options were forfeited. As at 31 March 2017, the outstanding share options are 388,200.

Date of Grant	Expiry Date	Exercise Price	Outstanding
26 May 2008	26 May 2018	S\$8.00	21,280
26 May 2008	26 May 2018	S\$6.50	39,920
26 May 2011	26 May 2021	S\$3.50	84,500
26 May 2011	26 May 2021	S\$3.20	242,500
Total number of outstanding share options			388,200

The amount of cash raised from issues of securities in the market in the previous financial year has been used for their intended purposes.

Announcement made on 22 July 2016	<p>The issuance of unsecured 6.0% convertible bonds with an aggregate amount of S\$6,000,000 ("Bonds Issue") by the Company, of which the completion had taken place on 12 June 2015.</p> <p>As at 22 July 2016, the Company has fully utilized the net proceeds from the Bonds Issue of approximately S\$5.97 million as general working capital for purchases of plastic resin and other materials for productions.</p>
Announcement made on 15 August 2016	<p>The placement of 6,241,460 new ordinary shares in the capital of the company ("Placement") at a placement price of S\$0.533 per Placement Share, of which the completion had taken place on 1 June 2016.</p> <p>As at 15 August 2016, the Company has fully utilized the net proceeds from the Placement of approximately S\$3.66 million as general working capital for purchases of plastic resin and other materials for productions.</p>

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

As at 31 March 2017, the Company's total number of issued shares excluding treasury shares is 53,286,009 (31 March 2016: 36,827,886) ordinary shares.

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

The Company does not hold any treasury shares 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

These 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 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 has adopted consistent accounting policies and methods of computation for current reporting period as compared with the most recently audited annual financial statements for the financial year ended 31 March 2017.

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

Not applicable.

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

	2017	2016
Based on weighted average number of ordinary shares on issue	170.01 HK cents	200.65 HK cents
Fully diluted earnings per ordinary share	161.40 HK cents	176.13 HK cents

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the period attributable to owners of the Company of approximately HK\$74,319,000 (2016: HK\$69,552,000) and the weighted average number of ordinary shares of 43,715,887 (31 March 2016: 34,663,225).

Diluted earnings per share are calculated by dividing profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potentials ordinary shares into ordinary shares.

7. Net asset value (for the Company and the Group) per ordinary share based on 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 the financial year

	Group		Company	
	As at 31/3/2017	As at 31/3/2016	As at 31/3/2017	As at 31/3/2016
Net asset value attributable to equity holders of the Company per ordinary share based on issued share capital excluding treasury shares as at the end of the year reported	HK\$29.2	HK\$38.9	HK\$16.5	HK\$22.2

The net asset value per ordinary share as at 31 March 2017 were calculated based on issued ordinary shares of the Company as at that date.

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

The Group registered a 2.2% increase in revenue to HK\$1,137.4 million for the financial year ended 31 March 2017. Cost of sales rose 2.8% to HK\$1,031.1 million due primarily to higher raw material costs and depreciation charges. General and administrative expenses fell 29.2% to HK\$221.2 million while finance costs rose 2.4% to HK\$10.2 million. The reduction of general and administrative expenses was mainly due to the absence of adjustment to the tax payment as previous and no assets write-off during the year. However, as the interest rates had increased on some borrowings, finance cost increased. Net profit attributable to ordinary shareholders rose 6.9% to HK\$74.3 million.

Sales of DVD-Rs and trading income from items such as resins, chemical dyes, targets and stampers, continued to improve. Leasing income from its Taiwan operations also fared better. CD-R sales declined as the Group continued to de-emphasize this product.

The total assets of the Group increased by HK\$120.3 million to HK\$1,931.3 million. Leading this increase was a 17.0% increase in Property, plant and equipment to HK\$894.1 million, as the Group continued to upgrade its facilities to maintain the quality of the products as well as to improve the production capacity. Inventory level was largely unchanged at HK\$289.5 million despite the increase in sales. Trade receivables rose 2.3% to HK\$326.9 million. Group cash at hand stood at HK\$55.3 million.

Group borrowings were relatively stable at HK\$259.5 million.

Group operating cash flow improved to a positive HK\$258.7 million.

Group earnings per ordinary share for the financial year ended 31 March 2017 was 170.01 HK cents. And the Group net tangible assets per ordinary share as at 31 March 2017 was HK\$29.2.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

General economic conditions have improved slightly over this past few months. This is particularly true for PRC, our major market.

The optical disc businesses of the Group; DVD-R sales, Trading and Leasing (from our Taiwan operations) have and, are expected to remain relatively stable and improve in tandem with the economic outlook.

The Group has also taken steps to seek alternative growth businesses such as the SPA signed to acquire a cattle-rearing company in Queensland, Australia and a high-end beef marketing operation in Asia in February 2017. The Group is now undergoing the exercise and hope to complete the acquisition in the current financial year.

It has also strengthened its financial position through a S\$5.1 million share placement in late February 2017.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the previous corresponding period?

A First and Final Tax Exempt (One Tier) dividend of 1 Singapore cent per ordinary share was declared in cash dividend and approved at the Company's Annual General Meeting held on 29 July 2016.

The dividend was paid to shareholders on 22 August 2016.

(c) Date payable

N/A

(d) Books closure date

N/A

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

The directors do not propose to pay or declare any dividend in respect of the year ended 31 March 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.

The Group has not obtained a general mandate from shareholders for interested person transactions. There were no interested person transactions with amount more than S\$100,000 during financial year ended 31 March 2017.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

15. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited annual financial statements, with comparative information for the immediately preceding year

By Product

	CD-R		DVD-R		Trading		Leasing income		Consolidated	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Segment revenue										
Sales to external customers	<u>22,189</u>	<u>33,906</u>	<u>675,637</u>	<u>660,016</u>	<u>266,993</u>	<u>264,373</u>	<u>172,600</u>	<u>154,800</u>	<u>1,137,419</u>	<u>1,113,095</u>
Segment results	<u>649</u>	<u>1,512</u>	<u>32,462</u>	<u>28,631</u>	<u>5,091</u>	<u>9,869</u>	<u>55,201</u>	<u>52,706</u>	93,403	92,718
Corporate expenses									(7,609)	(6,952)
Corporate income									1	2
Exchange difference									791	111
Amortisation on convertible bond									(239)	(265)
Fair value gain/(loss) on derivative instruments									409	(409)
Fair value (loss)/gain on convertible bond									(228)	1,045
Finance costs									(10,201)	(9,965)
Gain on derivative instruments									341	969
Loss on disposal of Property, plant and equipment									-	(4,507)
Income tax expense									(2,349)	(3,195)
Consolidated profit for the year									<u>74,319</u>	<u>69,552</u>

By Geographical Region

	The People's Republic of China		Other Asian Regions		Consolidated	
	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000	2017 HK\$'000	2016 HK\$'000
Segment revenue	730,757	720,467	406,662	410,628	1,137,419	1,113,095
Non-current assets	-	-	894,087	764,044	894,087	764,044

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

DVD-R sales rose 2.4% to HK\$675.6 million, accounting for the largest, 59.4% of total Group sales. Segmental profit of DVD-Rs rose 13.4% to HK\$32.5 million due to greater economies of scale. Trading revenue increased marginally to HK\$267.0 million while leasing revenue rose 11.5% to HK\$172.6 million. CD-R sales fell 34.6% to HK\$22.2 million. Segmental profit from Trading was HK\$5.1 million and, from Leasing was HK\$55.2 million.

Geographically, PRC sales improved 1.4% to HK\$730.8million, accounting for 64.2% of total Group sales. Sales in other Asian countries was HK\$406.7million.

17. A breakdown of sales

Group

	Latest Financial Year HK\$'000	Previous Financial Year HK\$'000	% increase/ (decrease)
(a) Sales reported for first half year	572,759	555,597	3.1%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	35,713	35,477	0.7%
(c) Sales reported for second half year	564,660	557,498	1.3%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	38,606	33,547	15.1%

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

	Latest full year HK\$'000	Previous full year HK\$'000
(a) Ordinary	2,433	-
(b) Preference	-	-
(c) Total	<u>2,433</u>	<u>-</u>

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, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Hui Yan Sui William	52	Brother of Mr. Hui Yan Moon, who is the Executive Director, Chief Executive Officer and substantial shareholder of the Company.	Current position is Executive Director and Chairman since 26 March 2001. Duties is responsible for charting the strategic growth and direction of the business of the Group.	No changes in duties and position
Hui Yan Moon	45	Brother of Mr. Hui Yan Sui William, who is the Executive Director, Chairman and substantial shareholder of the Company.	Current position is Executive Director and Chief Executive Officer. Duties is responsible for overseeing operations, finance and administrative functions and marketing activities of the Group.	No changes in duties and position

BY ORDER OF THE BOARD

Hui Yan Moon
Chief Executive Officer
30 May 2017