



CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

Company registration number: 200712727W

Unaudited Financial Statements for the Financial Year ended 31 March 2019

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.

<u>Consolidated Income Statement</u>	Note	Group (HK\$'000)		Change %	Group (HK\$'000)		Change %
		3 months ended 31-Mar-19 ("4Q2019")	31-Mar-18 ("4Q2018") (Restated)		Year ended 31-Mar-19 ("FY2019")	31-Mar-18 ("FY2018") (Restated)	
<u>Continuing operations</u>							
Revenue		9,903	11,714	(15.5)	39,167	48,015	(18.4)
Cost of sales		(7,039)	(7,816)	(9.9)	(28,931)	(32,042)	(9.7)
Gross profit		2,864	3,898	(26.5)	10,236	15,973	(35.9)
Other items of income							
Interest income		188	100	88.0	578	373	55.0
Other income	1	11	7	57.1	2,562	475	439.4
Other items of expense							
Selling and distribution expenses		(667)	(511)	30.5	(2,571)	(2,244)	14.6
General and administrative expenses		(4,915)	(4,021)	22.2	(14,946)	(13,111)	14.0
Other charges	2	(945)	(1,026)	(7.9)	(596)	(2,866)	(79.2)
Loss before taxation	3	(3,464)	(1,553)	123.1	(4,737)	(1,400)	238.4
Income tax expense		-	(149)	n.m.	-	(149)	n.m.
Loss from continuing operations, net of tax		(3,464)	(1,702)	103.5	(4,737)	(1,549)	205.8
<u>Discontinued operation</u>							
(Loss)/Profit from discontinued operation, net of tax	4	-	(298)	n.m.	1,034	20,178	(94.9)
(Loss)/Profit for the year		(3,464)	(2,000)	73.2	(3,703)	18,629	n.m.
Attributable to:							
Owners of the Company							
Loss from continuing operations, net of tax		(3,464)	(1,702)	103.5	(4,737)	(1,549)	205.8
(Loss)/Profit from discontinued operations, net of tax		-	(168)	n.m.	590	11,579	(94.9)
(Loss)/Profit for the year attributable to owners of the Company		(3,464)	(1,870)	85.2	(4,147)	10,030	n.m.
Non-controlling interests							
(Loss)/Profit from discontinued operations, net of tax		-	(130)	n.m.	444	8,599	(94.8)
(Loss)/Profit for the year attributable to non-controlling interests		-	(130)	n.m.	444	8,599	(94.8)

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.

	Note	Group		Change	Group		Change
		4Q2019	4Q2018	%	FY2019	FY2018	%
		HK\$'000	HK\$'000		HK\$'000	HK\$'000	
			(Restated)			(Restated)	
(Loss)/Profit for the year		(3,464)	(2,000)	73.2	(3,703)	18,629	n.m.
Other comprehensive income:							
Items that may be subsequently reclassified to profit & loss:							
Foreign currency translation		645	1,868	(65.5)	(3,944)	4,585	n.m.
Items that may not be subsequently reclassified to profit & loss:							
Foreign currency translation		1,736	2,645	(34.3)	(4,390)	6,977	n.m.
Other comprehensive income for the year, net of tax		2,381	4,513	(47.2)	(8,334)	11,562	n.m.
Total comprehensive income for the year		(1,083)	2,513	n.m.	(12,037)	30,191	n.m.
Attributable to:							
Owners of the Company		(1,083)	1,478	n.m.	(10,184)	18,429	n.m.
Non-controlling interests		-	1,035	n.m.	(1,853)	11,762	n.m.
Total comprehensive income for the year		(1,083)	2,513	n.m.	(12,037)	30,191	n.m.
Attributable to:							
Owners of the Company							
Total comprehensive income from continuing operations, net of tax		(1,083)	102	n.m.	(7,396)	3,151	n.m.
Total comprehensive income from discontinued operation, net of tax		-	1,376	n.m.	(2,788)	15,278	n.m.
Total comprehensive income for the year attributable to owners of the Company		(1,083)	1,478	n.m.	(10,184)	18,429	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 %
	4Q2019 HK\$'000	4Q2018 HK\$'000 (Restated)		FY2019 HK\$'000	FY2018 HK\$'000 (Restated)	
Note 1 – Other income						
Sale of raw materials/ scrap materials	11	1	n.m.	120	36	233.3
Gain on disposal of property, plant and equipment	-	2	n.m.	44	116	(62.1)
Government grants related to income	-	4	n.m.	60	323	(81.4)
Net foreign exchange gain	-	-	n.m.	1,639	-	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>11</u>	<u>7</u>	57.1	<u>2,562</u>	<u>475</u>	439.4
Note 2 – Other charges						
Net foreign exchange loss	843	1,004	(16.0)	-	2,709	n.m.
Impairment loss on doubtful trade and other receivables	37	17	117.6	110	17	547.1
Impairment loss on inventories	65	5	n.m.	474	140	238.6
Others	-	-	n.m.	12	-	n.m.
	<u>945</u>	<u>1,026</u>	(7.9)	<u>596</u>	<u>2,866</u>	(79.2)
Note 3 – Loss before taxation						
This is determined after charging the following:						
Depreciation of property, plant and equipment	480	296	62.2	1,377	1,006	36.9
Research and product testing expenses	611	727	(16.0)	2,412	1,498	61.0
Note 4 – (Loss)/Profit from discontinued operation, net of tax						
The financial results of discontinued operation are as follows:						
Revenue	-	2,520	n.m.	-	97,944	n.m.
Expenses	-	(739)	n.m.	(406)	(71,524)	(99.4)
Profit/(loss) from operation	-	1,781	n.m.	(406)	26,420	n.m.
Interest income	-	60	n.m.	12	186	(93.5)
Reversal of impairment loss on inventories	-	10	n.m.	-	679	n.m.
(Loss)/Gain on disposal of property, plant and equipment	-	(234)	n.m.	-	2,577	n.m.
Impairment loss on trade receivables	-	(146)	n.m.	-	(146)	n.m.
Fixed assets written off	-	(87)	n.m.	-	(5,959)	n.m.
Profit/(loss) before tax from discontinued operation	-	1,384	n.m.	(394)	23,757	n.m.
Taxation	-	(1,682)	n.m.	1,428	(3,579)	n.m.
(Loss)/Profit from discontinued operation, net of tax	-	(298)	n.m.	1,034	20,178	(94.9)

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-Mar-19 HK\$'000	Group As at 31-Mar-18 (Restated) HK\$'000	Group As at 1-Apr-17 (Restated) HK\$'000	Company As at 31-Mar-19 HK\$'000	Company As at 31-Mar-18 HK\$'000
Non-current assets					
Investment in subsidiaries	-	-	-	45,696	48,739
Property, plant and equipment	5,793	3,336	14,673	-	-
Prepayments	-	-	890	-	-
Total non-current assets	5,793	3,336	15,563	45,696	48,739
Current assets					
Inventories	8,143	8,055	26,789	-	-
Trade and other receivables	10,481	54,082	41,308	-	-
Prepayments	1,088	72	3,479	70	72
Amount due from related parties	128	-	-	15,949	23,142
Cash and bank balances	51,194	64,041	43,092	1,398	308
Total current assets	71,034	126,250	114,668	17,417	23,522
Total Assets	76,827	129,586	130,231	63,113	72,261
Current liabilities					
Trade and other payables	5,214	8,577	39,303	-	-
Other liabilities	12,911	14,880	16,482	1,928	1,980
Amount due to related parties	266	208	323	-	-
Deferred government grants	187	200	181	-	-
Provision for taxation	49	1,914	326	-	-
Total current liabilities	18,627	25,779	56,615	1,928	1,980
Net current assets	52,407	100,471	58,053	15,489	21,542
Total liabilities	18,627	25,779	56,615	1,928	1,980
Net assets	58,200	103,807	73,616	61,185	70,281
Equity attributable to owners of the Company					
Share capital	148,309	148,309	148,309	148,309	148,309
Accumulated losses	(32,569)	(29,981)	(38,875)	(98,708)	(94,002)
Restructuring reserve	(74,397)	(74,397)	(74,397)	-	-
Statutory reserve	-	1,559	423	-	-
Foreign currency translation reserve	16,857	23,593	15,194	11,584	15,974
	58,200	69,083	50,654	61,185	70,281
Non-controlling interests	-	34,724	22,962	-	-
Total equity	58,200	103,807	73,616	61,185	70,281
Total equity and liabilities	76,827	129,586	130,231	63,113	72,261

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-Mar-19 HK\$'000	Group As at 31-Mar-18 (Restated) HK\$'000	Group As at 1-Apr-17 (Restated) HK\$'000
Note 1 – Inventories			
Raw materials	1,202	1,463	4,783
Work in progress	6,299	6,024	5,238
Finished goods	642	568	16,768
	8,143	8,055	26,789

Note 2 – Trade and other receivables

Trade receivables	9,512	14,539	36,140
Bill receivables	596	12,673	3,069
Other receivables	373	26,870	2,099
	10,481	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)

As at 31 March 2019		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

(In HK\$'000)

As at 31 March 2019		As at 31 March 2018	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group does not have any bank borrowings or debt securities as at 31 March 2019 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)	
		4Q2019	4Q2018 (Restated)	FY2019	FY2018 (Restated)
Operating activities					
Loss before tax from continuing operations		(3,464)	(1,553)	(4,737)	(1,400)
Profit/(loss) before tax from discontinued operation		-	1,384	(394)	23,757
(Loss)/Profit before tax, total		(3,464)	(169)	(5,131)	22,357
Adjustments for:					
Depreciation of property, plant and equipment	A	480	355	1,377	2,676
Impairment loss/(Reversal of impairment loss) on inventories	B	65	(5)	474	(539)
Impairment loss on doubtful trade and other receivables	C	37	163	110	163
Loss/(Gain) on disposal of property, plant and fixed assets written off	D	-	232	(44)	(2,693)
Interest income	E	(188)	(160)	(590)	(559)
Unrealised exchange loss/(gain)		843	1,004	(2,338)	2,709
Operating cash flows before working capital changes		(2,227)	1,507	(6,142)	30,073
Decrease/(increase) in:					
Trade and other receivables		3,949	10,640	12,387	17,259
Inventories		(1,256)	(62)	(1,065)	20,820
Prepayments		1,023	495	(1,020)	3,570
Amount due to related parties, net		(93)	293	(57)	(89)
(Decrease)/increase in:					
Trade and other payables		(932)	(4,765)	(2,791)	(32,937)
Other liabilities		569	(2,304)	485	(3,051)
Cash flows generated from operations		1,033	5,804	1,797	35,645
Interest received		188	160	590	559
Income tax paid		(114)	(1,929)	(390)	(2,248)
Net cash flows generated from operating activities		1,107	4,035	1,997	33,956
Investing activities					
Purchase of property, plant and equipment	F	-	(238)	(4,005)	(1,869)
Proceeds from disposal of property, plant and equipment		-	320	44	8,965
Advances given to non-controlling interests		-	(25,362)	-	(25,362)
Net cash outflow on disposal of subsidiaries	G	-	-	(773)	-
Net cash flows used in investing activities		-	(25,280)	(4,734)	(18,266)
Financing activities					
Dividends paid to non-controlling interests		-	-	(6,348)	-
Net cash flows used in financing activities		-	-	(6,348)	-
Net increase/(decrease) in cash and cash equivalents		1,107	(21,245)	(9,085)	15,690
Effect of exchange rate changes on cash and cash equivalents		1,388	349	(3,762)	5,259
Cash and cash equivalents at beginning of financial year		48,699	84,937	64,041	43,092
Cash and cash equivalents at end of financial year		51,194	64,041	51,194	64,041

- 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)	
	4Q2019	4Q2018 (Restated)	FY2019	FY2018 (Restated)
Note A:				
Depreciation of property, plant and equipment:				
Depreciation of property, plant and equipment from continuing operations	480	296	1,377	1,006
Depreciation of property, plant and equipment from discontinued operation	-	59	-	1,670
Total depreciation of property, plant and equipment	480	355	1,377	2,676
Note B:				
Impairment loss/(reversal of impairment loss) on inventories:				
Impairment loss on inventories from continuing operations	65	5	474	140
Reversal of impairment loss on inventories from discontinued operation	-	(10)	-	(679)
Total impairment loss/(reversal of impairment loss) on inventories	65	(5)	474	(539)
Note C:				
Impairment loss on doubtful trade and other receivables:				
Impairment loss on doubtful trade and other receivables from continuing operations	37	17	110	17
Impairment loss on doubtful trade and other receivables from discontinued operation	-	146	-	146
Total impairment loss on doubtful trade and other receivables	37	163	110	163
Note D:				
(Loss)/Gain on disposal of property, plant and equipment:				
Gain on disposal of property, plant and equipment from continuing operations	-	2	44	116
(Loss)/Gain on disposal of property, plant and equipment from discontinued operation	-	(234)	-	2,577
Total (loss)/gain on disposal of property, plant and equipment	-	(232)	44	2,693
Note E:				
Interest income:				
Interest income from continuing operations	188	100	578	373
Interest income from discontinued operation	-	60	12	186
Total interest income	188	160	590	559

- 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)	
4Q2019	4Q2018 (Restated)	FY2019	FY2018 (Restated)

Note F:

Cash outflow on purchase of property, plant and equipment:

Aggregate cost of property, plant and equipment acquired	261	279	4,005	2,751
Add: Payment for prior years acquisitions	-	-	-	49
Less: Movement of prepayments made	(261)	(41)	-	(931)
Cash payments made to acquire property, plant and equipment	-	238	4,005	1,869

Note G:

Net cash outflow on disposal of subsidiaries:

Cash consideration	-	-	2,346	-
Cash and cash equivalents of the subsidiaries	-	-	(3,119)	-
Net cash outflow on disposal of subsidiaries:	-	-	(773)	-

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 attributable to owners of the Company, total	Share capital	Accumulated losses	Restructuring reserve	Foreign currency translation reserve	
Group 4Q2019	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Opening balance at 1 January 2019	59,283	59,283	148,309	(29,105)	(74,397)	14,476
Loss for the period	(3,464)	(3,464)	-	(3,464)	-	-
Other comprehensive income for the period, net of tax	2,381	2,381	-	-	-	2,381
Total comprehensive income for the period	(1,083)	(1,083)	-	(3,464)	-	2,381
Closing balance at 31 March 2019	58,200	58,200	148,309	(32,569)	(74,397)	16,857

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, HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Restructuring reserve HK\$'000	Statutory reserve HK\$'000	Foreign currency translation reserve HK\$'000	
Group								
4Q2018								
Opening balance at 1 January 2018	101,294	67,605	148,309	(28,128)	(74,397)	1,576	20,245	33,689
Loss for the period	(2,000)	(1,870)	-	(1,870)	-	-	-	(130)
Other comprehensive income for the period, net of tax	4,513	3,348	-	-	-	-	3,348	1,165
Total comprehensive income for the period	2,513	1,478	-	(1,870)	-	-	3,348	1,035
Others								
Appropriation to reserve	-	-	-	17	-	(17)	-	-
Total others	-	-	-	17	-	(17)	-	-
Closing balance at 31 March 2018	103,807	69,083	148,309	(29,981)	(74,397)	1,559	23,593	34,724

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 attributable to owners of the Company, total	Share capital	Accumulated losses	Restructuring reserve	Statutory reserve	Foreign currency translation reserve		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
Group								
FY2019								
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 year	(3,703)	(4,147)	-	(4,147)	-	-	-	444
Other comprehensive income for the year, net of tax	(8,334)	(6,037)	-	-	-	-	(6,037)	(2,297)
Total comprehensive income for the year	(12,037)	(10,184)	-	(4,147)	-	-	(6,037)	(1,853)
<u>Others</u>								
Dividends paid to non-controlling interests	(6,348)	-	-	-	-	-	-	(6,348)
Appropriation to reserve	-	-	-	(58)	-	58	-	-
Disposal of subsidiaries	(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 March 2019	58,200	58,200	148,309	(32,569)	(74,397)	-	16,857	-

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, HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Restructuring reserve HK\$'000	Statutory reserve HK\$'000	Foreign currency translation reserve HK\$'000	
Group								
FY2018								
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 year	18,629	10,030	-	10,030	-	-	-	8,599
Other comprehensive income for the year, net of tax	11,562	8,399	-	-	-	-	8,399	3,163
Total comprehensive income for the year	30,191	18,429	-	10,030	-	-	8,399	11,762
<u>Others</u>								
Appropriation to reserve	-	-	-	(1,136)	-	1,136	-	-
Total others	-	-	-	(1,136)	-	1,136	-	-
Closing balance at 31 March 2018	103,807	69,083	148,309	(29,981)	(74,397)	1,559	23,593	34,724

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.

	<u>Attributable to owners of the Company</u>			
	Equity, total HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Foreign currency translation reserve HK\$'000
Company				
4Q2019				
Opening balance at 1 January 2019	62,864	148,309	(95,293)	9,848
Loss for the period	(3,415)	-	(3,415)	-
Other comprehensive income for the period, net of tax	1,736	-	-	1,736
Total comprehensive income for the period	(1,679)	-	(3,415)	1,736
Closing balance at 31 March 2019	61,185	148,309	(98,708)	11,584
Company				
4Q2018				
Opening balance at 1 January 2018	69,818	148,309	(91,820)	13,329
Loss for the period	(2,182)	-	(2,182)	-
Other comprehensive income for the period, net of tax	2,645	-	-	2,645
Total comprehensive income for the period	463	-	(2,182)	2,645
Closing balance at 31 March 2018	70,281	148,309	(94,002)	15,974

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 HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Foreign currency translation reserve HK\$'000
Company				
FY2019				
Opening balance at 1 April 2018	70,281	148,309	(94,002)	15,974
Loss for the year	(4,706)	-	(4,706)	-
Other comprehensive income for the year, net of tax	(4,390)	-	-	(4,390)
Total comprehensive income for the year	(9,096)	-	(4,706)	(4,390)
Closing balance at 31 March 2019	61,185	148,309	(98,708)	11,584
Company				
FY2018				
Opening balance at 1 April 2017	68,936	148,309	(88,370)	8,997
Loss for the year	(5,632)	-	(5,632)	-
Other comprehensive income for the year, net of tax	6,977	-	-	6,977
Total comprehensive income for the year	1,345	-	(5,632)	6,977
Closing balance at 31 March 2018	70,281	148,309	(94,002)	15,974

- 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.**

	Number of shares	Resultant issued and paid-up share capital (HK\$,000)
Share capital as at 31 March 2019 and 31 December 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 year 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.**

	As at 31 March 2019 and 31 March 2018
Total number of issued shares excluding treasury shares	409,800,000

The Company did not have any treasury shares as at 31 March 2019 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 financial year 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 financial year 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:

Balance sheet	Group		
	As at 31 March 2018 (as restated)	As at 31 March 2018 (as previously stated)	Difference
	HK\$'000	HK\$'000	HK\$'000
Current assets			
Inventories ⁽¹⁾	8,055	3,127	4,928
Current liabilities			
Other liabilities ⁽¹⁾	(14,880)	(9,371)	(5,509)
Decrease in net assets			(581)
Equity			
Accumulated losses	(29,981)	(29,442)	(539)
Foreign currency translation reserve	23,593	23,635	(42)
Decrease in total equity			(581)

Consolidated income statement	Group			Group		
	4Q2018 (as restated)	4Q2018 (as previously stated)	Difference	FY2018 (as restated)	FY2018 (as previously stated)	Difference
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	11,714	11,894	(180)	48,015	48,829	(814)
Cost of sales	(7,816)	(8,116)	300	(32,042)	(33,029)	987
Other charges	(1,026)	(907)	(119)	(2,866)	(2,612)	(254)
Increase/ (Decrease) in net profit			1			(81)

Note:

- (1) Under previous financial reporting standard, the revenue of our IMD mould and IMD products were recognized separately upon delivery of goods. Under SFRS(I) 15, IMD mould is considered as an integral part of the production of IMD products and therefore revenue of IMD mould is recognized only upon delivery of IMD products. Hence, IMD mould revenue are currently recorded as contract liabilities under Other Liabilities and IMD mould costs are currently recorded as Inventory respectively.

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			
		4Q2019	4Q2018 (Restated)	FY2019	FY2018 (Restated)
(Loss)/Profit for the financial period/year attributable to owners of the Group, after deducting any provision for preference dividends and non-controlling interests	HK\$'000	(3,464)	(1,870)	(4,147)	10,030
Earnings per share Basic	HK cents	(0.85)	(0.46)	(1.01)	2.45

Basic earnings per share for the 4Q2019 and FY2019 are calculated based on weighted average number of shares issued of 409,800,000 (4Q2018 and FY2018: 409,800,000).

Diluted earnings per share are not presented as there were no potential dilutive securities as at 31 March 2019 and 31 March 2018.

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 Mar 2019	31 Mar 2018 (Restated)	31 Mar 2019	31 Mar 2018
Net assets per ordinary share after deducting non-controlling interests, based on 409.8 million shares as at 31 March 2019 and 31 March 2018	HK cents	HK cents	HK cents	HK cents
	14.20	16.86	14.93	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 ended 31 March 2019.

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 third quarter of FY2019 (“**3Q2019**”), the Furniture Business commenced operations and recorded net losses of HK\$1.0 million and HK\$1.6 million for 4Q2019 and FY2019 respectively due to initial operating expenses such as marketing and administrative expenses.

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.

Financial period from 1 January 2019 to 31 March 2019 (“4Q2019”) vs 1 January 2018 to 31 March 2018 (“4Q2018”)

Income Statement

Continuing operations

Revenue and Gross Profit

Fourth quarter of the financial year (HK\$'000)	IMD and Plastic Injection Parts Business	Furniture Business	Total
4Q2019 Revenue	8,892	1,011	9,903
4Q2018 Revenue	11,714	-	11,714
% change	(24.1)	n.m.	(15.5)
4Q2019 Sales mix	89.8%	10.2%	100.0%
4Q2018 Sales mix	100.0%	-	100.0%
4Q2019 Gross profit	2,773	91	2,864
4Q2018 Gross profit	3,898	-	3,898
% change	(28.9)	n.m.	(26.5)
4Q2019 Gross profit margin	31.2%	9.0%	28.9%
4Q2018 Gross profit margin	33.3%	-	33.3%
Percentage point difference	(2.1)	n.m.	(4.4)

n.m.: not meaningful

As tabulated above, our Group's revenue in 4Q2019 decreased by 15.5% as compared to 4Q2018, mainly due to decrease in sales from our In-Mould Decoration (“IMD”) and the Plastic Injection Parts Business (“IMD Business”), offset by the revenue contributed from our Furniture Business which only commenced operations in 3Q2019. Following the decrease in revenue, overall gross profit in 4Q2019 decreased by 26.5% as compared to 4Q2018, 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 24.1% in 4Q2019 as compared to 4Q2018 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”). As a result from the decrease in revenue and capacity utilisation rate, gross margin decreased from 33.3% in 4Q2018 to 31.2% in 4Q2019.

Other items of income

The increase in interest income was attributable to an increase in fixed deposits placed with the banks in PRC as a result of more efficient cash management with the banks in PRC.

The increase in other income in 4Q2019 was mainly due to increase in sale of raw materials and scrap materials.

Other items of expense

Despite the decline in revenue, selling and distribution expenses increased by 30.5% in 4Q2019 as compared to 4Q2018, mainly due to increase in marketing expenses incurred by the Furniture Business which commenced operations in 3Q2019.

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.**

General and administrative expenses increased by 22.2% in 4Q2019 as compared to 4Q2018, mainly due to rental expense, employee benefit expense, amortisation of renovation costs and other administrative expenses incurred by the Furniture Business which commenced operations in 3Q2019.

The decrease in other charges was mainly due to the decrease in foreign exchange loss arising from the translation of inter-company balances within the Group which utilises different functional currencies (i.e. RMB and HKD). In 4Q2019, HKD depreciated by approximately 2.8% against RMB as compared to 3.9% in 4Q2018.

Depreciation of plant and equipment increased mainly arose from the newly acquired plant and equipment as well as renovation works completed for both business segments since 1 April 2018.

No income tax expense was recorded in 4Q2019 due to the Group is in a tax loss position. An income tax expense of HK\$0.1 million recorded in 4Q2018 was mainly due to adjustment of under-provision of income taxation in respect of prior year.

Arising from the above, the Group recorded a net loss of HK\$3.5 million from its continuing operations in 4Q2019 as compared to HK\$1.7 million in 4Q2018.

Discontinued operation

Following the completion of the closure of automobile component production facilities in Beijing, no revenue and expense was recorded in 4Q2019.

Financial year from 1 April 2018 to 31 March 2019 (“FY2019”) vs 1 April 2017 to 31 March 2018 (“FY2018”)

Income Statement

Continuing operations

Revenue and Gross Profit

Financial year (HK\$'000)	IMD and Plastic Injection Parts Business	Furniture Business	Total
FY2019 Revenue	36,811	2,356	39,167
FY2018 Revenue	48,015	-	48,015
% change	(23.3)	n.m.	(18.4)
FY2019 Sales mix	94.0%	6.0%	100.0%
FY2018 Sales mix	100.0%	-	100.0%
FY2019 Gross profit	10,025	211	10,236
FY2018 Gross profit	15,973	-	15,973
% change	(37.2)	n.m.	(35.9)
FY2019 Gross profit margin	27.2%	9.0%	26.1%
FY2018 Gross profit margin	33.3%	-	33.3%
Percentage point difference	(6.1)	n.m.	(7.2)

n.m.: not meaningful

As tabulated above, our Group's revenue in FY2019 decreased by 18.4% as compared to FY2018, mainly due to decrease in sales from our IMD and the Plastic Injection Parts Business, offset by the maiden revenue contributed from our Furniture Business. Following the decrease in revenue, overall gross profit in FY2019 decreased by 35.9% as compared to FY2018, mainly arising from lower gross profit from our IMD Business.

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.**

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 23.3% in FY2019 as compared to FY2018, 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. As a result from the decrease in revenue and capacity utilisation rate, gross margin decreased from 33.3% in FY2018 to 27.2% in FY2019.

Other items of income

Despite the decline in cash and cash equivalent in FY2019, the increase in interest income was mainly attributed to more efficient cash management with the banks in PRC.

The increase in other income in FY2019 was mainly due to the foreign exchange gains arising mainly from the translation of inter-company balances within the Group which utilises different functional currencies (i.e. RMB and HKD). In FY2019, HKD appreciated by approximately 6.2% against RMB as compared to a depreciation of 10.6% in FY2018. 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 14.6% in FY2019 as compared to FY2018, mainly due to increase in marketing expenses incurred by the Furniture Business which commenced operation during this financial year.

General and administrative expenses increased by 14.0% in FY2019 as compared to FY2018, mainly due to:

- Increase in research and product testing expenses of HK\$0.9 million, mainly arising from the development of new products as well as research activities for potential investment opportunities; and
- Rental expense, employee benefit expense, amortisation of renovation costs and other administrative expenses of HK\$1.6 million incurred by the Furniture Business which commenced operation during this financial year; offset by
- Decrease in employee benefit expense and other administrative expenses of HK\$0.9 million from our IMD business which was mainly attributed to 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 FY2018 from the Group's inter-company 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 as well as renovation works completed for both business segments since 1 April 2018.

No income tax expense was recorded in FY2019 due to the Group is in a tax loss position. An income tax expense of HK\$0.1 million recorded in FY2018 was mainly due to adjustment of under-provision of income taxation in respect of prior year.

Arising from the above, the Group recorded a net loss of HK\$4.7 million from its continuing operations in FY2019 as compared to HK\$1.5 million in FY2018.

Discontinued operation

Following the completion of the closure of automobile component production facilities in Beijing, no revenue was generated and expenses in FY2019 decreased by 99.4% as compared to FY2018. The expenses incurred in FY2019 mainly pertaining to employee benefits expenses and other administrative expenses for collection of outstanding debts, book-keeping, annual audit, tax filing etc.

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.**

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 FY2018, the Group recorded a net profit of HK\$1.0 million from its discontinued operation in FY2019 as compared to HK\$20.1 million in FY2018.

Other comprehensive income - Foreign currency translation

The foreign currency translation gain arose mainly from the translation of our net asset position in our financial statements denominated in RMB to Hong Kong dollars when consolidating the financial statements of the Group. Hong Kong dollars had depreciated by approximately 2.8% and appreciated by approximately 6.2% against RMB in 4Q2019 and FY2019 respectively as compared to depreciation of 3.9% and 10.6% in 4Q2018 and FY2018 respectively.

Balance sheet

Non-current assets

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

- Additions of HK\$4.0 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\$1.4 million; and
- Foreign translation loss of HK\$0.2 million.

Current assets

Inventories as at 31 March 2019 increased by 1.1% as compared to 31 March 2018 mainly due to inventories of HK\$0.2 million recorded by the Furniture Business which commenced operation during this financial year.

Trade and other receivables as at 31 March 2019 decreased by 80.6% as compared to 31 March 2018 mainly due to:

- Disposal of BBJ which recognised HK\$27.3 million of trade and other receivables prior to the disposal as at 31 July 2018; and
- Repayment by customers from both continuing and discontinued operations during this financial year; offset by
- Increase in trade and other receivables of our Furniture business which commenced operations during this financial year.

The increase in prepayment as at 31 March 2019 as compared to 31 March 2018 was mainly due to the increase in prepayments made to the suppliers and sub-contractors for both business segments.

Amount due from related parties mainly relates to the factory rental of our Furniture Business in Shenzhen for the quarter from 1 April 2019 to 30 June 2019, paid in advance in March 2019.

Current liabilities

Trade and other payables decreased by 39.2% as at 31 March 2019 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.

Other liabilities as at 31 March 2019 decreased by 13.2% as compared to 31 March 2018, mainly due to:

- Disposal of BBJ which recognised HK\$1.5 million of other liabilities prior to the disposal as at 31 July 2018; and
- Decrease in accrued operating expenses following payments made during this financial year.

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 increase in amount due to related parties was mainly due to interest-free advances given by a director during this financial year.

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 and tax payment made during this financial year.

Cash flow

Financial period from 1 January 2019 to 31 March 2019 ("4Q2019") vs 1 January 2018 to 31 March 2018 ("4Q2018")

The Group's cash and cash equivalents increased by HK\$1.1 million in 4Q2019, mainly attributed to net cash flow generated from the operating activities of HK\$1.1 million.

The net cash flow generated from operating activities was mainly due to working capital inflow of HK\$3.2 million and interest received of HK\$0.2 million, partially offset by operating cash outflow before movements in working capital of HK\$2.2 million and income tax payment of HK\$0.1 million.

In 4Q2019, there was no cash utilised or generated from investing and financing activities.

Financial period from 1 April 2018 to 31 March 2019 ("FY2019") vs 1 April 2017 to 31 March 2018 ("FY2018")

The Group's cash and cash equivalents decreased by HK\$9.1 million in FY2019, mainly attributed to the net cash flows used in investing activities and financing activities of HK\$4.7 million and HK\$6.3 million respectively, offset by net cash flow generated from the operating activities of HK\$2.0 million.

The net cash inflow generated from operating activities was mainly due to working capital inflow of HK\$7.9 million and interest received of HK\$0.6 million, partially offset by operating cash outflow before movements in working capital of HK\$6.1 million and income tax payment of HK\$0.4 million.

The Group also utilised HK\$4.7 million in FY2019 in investing activities mainly relating to acquisition of plant and equipment and renovation costs of HK\$4.0 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 FY2019.

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 third quarter ended 31 December 2018, dated 28 January 2019.

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 expected 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 third quarter of FY2019 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.

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.

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 Business and Furniture Business. We also hope to diversify our customer base through these measures.

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 FY2019 on grounds of prudence.

13. Interested person transactions

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 year 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
<u>Shenzhen Kunda Precision Mould Co., Ltd</u> ⁽¹⁾ ("Shenzhen Precision")		
Rental of factory premises at Bao Long Yi Road, Shenzhen	1,785	-
Total	1,785	-

No interested person transaction mandate was obtained from shareholders.

- 13. Interested person transactions**
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.

Note:

- (2) 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14. 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.**

Business segments

For management purposes, the Group is organised into business units based on their products and service. In FY2019, the Group has two reportable operating segments as follows:-

- 1) In-Mould Decoration and Plastic Injection Parts (“**IMD and Plastic Injection Parts**”)
The IMD and Plastic Injection Parts segment provides specialised plastic injection parts and technical services used mainly in the production of electrical appliances and electronic devices.

In-Mould Decoration is the simultaneous injection moulding of a product with a formable plastic film. The formed film is inserted into the mould and then injected with the molten plastic resin to surround it, forming a finished integral part.

- 2) Furniture Business
The Furniture Business segment supplies furniture and fittings which includes but not limited to cabinets, appliances, surfaces, woodwares, decorative products and other related activities.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated by the Executive Chairman and Chief Executive Officer solely based on gross profit or loss. Certain expenses, other income, financial income/expense and income taxes are managed on a group basis and are not allocated to operating segments.

14. **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.**

**Business segment
FY2019 (HK\$'000)**

	IMD and Plastic Injection Parts	Furniture Business	Per consolidated financial statements
Revenue			
Sales to external customers	36,811	2,356	39,167
Segment results:			
Segment gross profit	10,025	211	10,236
Depreciation of property, plant and equipment	(1,221)	(156)	(1,377)
Impairment loss on trade and other receivables	(110)	-	(110)
Impairment loss on inventories	(474)	-	(474)
Gain on disposal on property, plant and equipment	44	-	44
Research and product testing expenses	(2,412)	-	(2,412)
Unallocated expenses, net			(10,644)
Loss before tax			(4,737)
Assets:			
Additions to non-current assets	829	3,176	4,005
Segment assets	68,265	8,562	76,827
Segment liabilities	18,386	241	18,627

**Business segment
FY2018 (HK\$'000)
(Restated)**

	IMD and Plastic Injection Parts	Adjustments/ Eliminations	Per consolidated financial statements
Revenue			
Sales to external customers	48,015	-	48,015
Segment results:			
Segment gross profit	15,973	-	15,973
Depreciation of property, plant and equipment	(1,006)	-	(1,006)
Impairment loss on trade and other receivables	(17)	-	(17)
Impairment loss on inventories	(140)	-	(140)
Gain on disposal on property, plant and equipment	116	-	116
Research and product testing expenses	(1,498)	-	(1,498)
Unallocated expenses, net	(14,828)	-	(14,828)
Loss before tax	(1,400)	-	(1,400)
Assets:			
Additions to non-current assets	1,446	1,305	2,751
Segment assets	80,078	49,508	129,586
Segment liabilities	54,713	(28,934)	25,779

14. 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.

Geographical segment

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

FY2019 (HK\$'000)

	Asia except for PRC	Europe	PRC	Total
Revenue				
Sales to external customers	160	2,786	36,221	39,167
Non-current assets	-	-	5,793	5,793

**FY2018 (HK\$'000)
(Restated)**

	Asia except for PRC	PRC	Total
Revenue			
Sales to external customers	1,004	47,011	48,015
Non-current assets	-	3,336	3,336

Non-current assets information presented above consist of property, plant and equipment as presented in the consolidated balance sheet.

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

Business segment

Please see note 8 for factors leading to material changes in turnover and earnings by business segments.

Geographical segment

The decrease in sales in PRC and Asia except for PRC was attributed to the decrease in sales of our IMD and Plastic Injection Parts used for the consumer electronics and electrical appliances in PRC, offset by the maiden revenue from our new Furniture Business. In FY2019, the export sales to Europe relates to the sales of our IMD and Plastic Injection Parts mainly used for the consumer electronics and electronic medical device.

16. A breakdown of sales.

	Group		
	FY2019 HK\$'000	FY2018 HK\$'000 (Restated)	% Decrease
<u>First Half</u>			
Revenue reported for the first half year	15,987	20,911	(23.5)
Net loss after tax and non-controlling interest	(397)	(1,888)	(79.0)
<u>Second Half</u>			
Revenue reported for the second half year	23,180	27,104	(14.5)
Net (loss)/profit after tax and non-controlling interest	(3,750)	11,918	n.m.

n.m. : not meaningful

16. A breakdown of sales.

The Group recorded a net loss after tax and non-controlling interest of HK\$3.8 million in second half of FY2019 (“2H2019”) as compared to HK\$0.4 million in first half of FY2019 (“1H2019”), mainly due to:

- Net foreign exchange loss of HK\$0.9 million from the translation of inter-company balances within the Group was recorded in 2H2019 as compared to net foreign exchange gain of HK\$2.5 million recorded in 1H2019;
- Net loss of HK\$1.6 million recorded by the Furniture Business which commenced operations in 2H2019;
- An over-provision of income tax in prior reporting year amounting to HK\$1.0 million was written back from discontinued operation in 1H2019; and
- Net foreign exchange translation gain of HK\$0.7 million reclassified from foreign currency translation reserve to income statement following the disposal of BBJ in 1H2019; offset by
- Increase in gross profit of HK\$3.3 million from our IMD and Plastic Injection Parts business segment as a result of increase in revenue and favourable sales mix.

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

No dividend was declared for FY2019 and FY2018.

18. 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 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company and/or its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company and/or its subsidiaries as at 31 March 2019 pursuant to Rule 704(10) of the Catalist Rules.

19. 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 Catalist Rules.

BY ORDER OF THE BOARD
CAI KAOQUN
EXECUTIVE CHAIRMAN AND CEO
22 May 2019

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”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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