



# CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

Company registration number: 200712727W

## Unaudited Financial Statements for the Financial Year ended 31 March 2017

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)			Group (HK\$'000)		
		3 months ended		Change	Year ended		Change
<u>Consolidated Income Statement</u>		31-Mar-17 ("4Q2017")	31-Mar-16 ("4Q2016")	%	31-Mar-17 ("FY2017")	31-Mar-16 ("FY2016")	%
Revenue		33,190	43,427	(23.6)	184,729	197,850	(6.6)
Cost of sales		(24,689)	(32,392)	(23.8)	(147,276)	(159,951)	(7.9)
<b>Gross profit</b>		<b>8,501</b>	<b>11,035</b>	(23.0)	<b>37,453</b>	<b>37,899</b>	(1.2)
<b>Other items of income</b>							
Interest income	1	214	113	89.4	499	297	68.0
Other income	2	337	583	(42.2)	3,670	5,289	(30.6)
<b>Other items of expense</b>							
Selling and distribution expenses		(1,782)	(2,239)	(20.4)	(9,167)	(10,119)	(9.4)
General and administrative expenses		(5,867)	(7,145)	(17.9)	(25,697)	(23,343)	10.1
Other (charges)/credit	3	(326)	(143)	128.0	220	(49)	n.m.
<b>Profit before taxation</b>	4	<b>1,077</b>	<b>2,204</b>	(51.1)	<b>6,978</b>	<b>9,974</b>	(30.0)
Income tax expense	5	(216)	(761)	(71.6)	(342)	(1,082)	(68.4)
<b>Profit for the period/year</b>		<b>861</b>	<b>1,443</b>	(40.3)	<b>6,636</b>	<b>8,892</b>	(25.4)
<b>Attributable to:</b>							
Owners of the Company		282	588	(52.0)	3,803	6,762	(43.8)
Non-controlling interests		579	855	(32.3)	2,833	2,130	33.0
		<b>861</b>	<b>1,443</b>	(40.3)	<b>6,636</b>	<b>8,892</b>	(25.4)

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		
	4Q2017 HK\$'000	4Q2016 HK\$'000	Change %	FY2017 HK\$'000	FY2016 HK\$'000	Change %
<b>Profit for the period/year</b>	<b>861</b>	<b>1,443</b>	<b>(40.3)</b>	<b>6,636</b>	<b>8,892</b>	<b>(25.4)</b>
<b>Other comprehensive income:</b>						
Items that may be subsequently reclassified to profit & loss:						
Foreign currency translation	1,259	834	51.0	(6,309)	(3,869)	63.1
<b>Other comprehensive income for the period/year, net of tax</b>	<b>1,259</b>	<b>834</b>	<b>51.0</b>	<b>(6,309)</b>	<b>(3,869)</b>	<b>63.1</b>
<b>Total comprehensive income for the period/year</b>	<b>2,120</b>	<b>2,277</b>	<b>(6.9)</b>	<b>327</b>	<b>5,023</b>	<b>(93.5)</b>
<b>Attributable to:</b>						
Owners of the Company	1,210	1,227	(1.4)	(810)	3,899	n.m.
Non-controlling interests	910	1,050	(13.3)	1,137	1,124	1.2
<b>Total comprehensive income for the period/year</b>	<b>2,120</b>	<b>2,277</b>	<b>(6.9)</b>	<b>327</b>	<b>5,023</b>	<b>(93.5)</b>
<b>Note 1 – Interest income</b>						
Interest income from bank and other receivables	214	113	89.4	499	297	68.0
<b>Note 2 – Other income</b>						
Sale of raw materials/ scrap materials	18	16	12.5	86	171	(49.7)
(Loss)/Gain on disposal of property, plant and equipment	-	(2)	n.m.	28	133	(78.9)
Government grants related to income	(10)	(21)	(52.4)	19	2,457	(99.2)
Net foreign exchange (loss)/gain	(304)	(272)	11.8	1,617	814	98.6
Rental income	633	866	(26.9)	1,920	1,238	55.1
Compensation income	-	(4)	n.m.	-	476	n.m.
	337	583	(42.2)	3,670	5,289	(30.6)
<b>Note 3 – Other charges/(credit)</b>						
Collection of previously impaired trade receivables	(39)	-	n.m.	(39)	-	n.m.
Impairment loss on doubtful trade and other receivables	-	141	n.m.	-	141	n.m.
Impairment loss/(Reversal of impairment loss) on inventories	366	2	n.m.	(232)	(92)	152.2
Others	(1)	-	n.m.	51	-	n.m.
	326	143	128.0	(220)	49	n.m.
<b>Note 4 – Profit before taxation</b>						
This is determined after charging the following:						
Depreciation of property, plant and equipment	692	606	14.2	2,466	2,368	4.1
Research and product testing expenses	188	31	506.5	1,866	1,576	18.4
<b>Note 5 – Income tax expense</b>						
Current income taxation	212	769	(72.4)	855	1,368	(37.5)
Under/(Over)provision in respect of prior years	4	(8)	n.m.	(513)	(286)	79.4
Income tax expense	216	761	(71.6)	342	1,082	(68.4)

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.**

	Note	Group As at 31-Mar-17 HK\$'000	Group As at 31-Mar-16 HK\$'000	Company As at 31-Mar-17 HK\$'000	Company As at 31-Mar-16 HK\$'000
<b><u>Non-current assets</u></b>					
Investment in subsidiaries		-	-	44,071	46,977
Property, plant and equipment		14,673	14,316	-	-
Prepayments		890	150	-	-
<b>Total non-current assets</b>		<b>15,563</b>	<b>14,466</b>	<b>44,071</b>	<b>46,977</b>
<b><u>Current assets</u></b>					
Inventories	1	23,035	26,749	-	-
Trade and other receivables	2	41,308	47,557	-	-
Prepayments		3,479	14,550	65	108
Amount due from related parties		-	-	25,370	32,117
Cash and bank balances		43,092	34,613	1,309	214
<b>Total current assets</b>		<b>110,914</b>	<b>123,469</b>	<b>26,744</b>	<b>32,439</b>
<b>Total Assets</b>		<b>126,477</b>	<b>137,935</b>	<b>70,815</b>	<b>79,416</b>
<b><u>Current liabilities</u></b>					
Trade and other payables		39,303	49,159	-	-
Other liabilities		12,280	11,051	1,879	1,865
Amount due to related parties		323	444	-	-
Deferred government grants		181	192	-	-
Provision for taxation		326	872	-	-
<b>Total current liabilities</b>		<b>52,413</b>	<b>61,718</b>	<b>1,879</b>	<b>1,865</b>
<b>Net current assets</b>		<b>58,501</b>	<b>61,751</b>	<b>24,865</b>	<b>30,574</b>
<b>Total liabilities</b>		<b>52,413</b>	<b>61,718</b>	<b>1,879</b>	<b>1,865</b>
<b>Net assets</b>		<b>74,064</b>	<b>76,217</b>	<b>68,936</b>	<b>77,551</b>
<b><u>Equity attributable to owners of the Company</u></b>					
Share capital		148,309	148,309	148,309	148,309
Accumulated losses		(38,417)	(41,842)	(88,370)	(84,466)
Restructuring reserve		(74,397)	(74,397)	-	-
Statutory reserve		423	45	-	-
Foreign currency translation reserve		15,184	19,797	8,997	13,708
		51,102	51,912	68,936	77,551
Non-controlling interests		22,962	24,305	-	-
<b>Total equity</b>		<b>74,064</b>	<b>76,217</b>	<b>68,936</b>	<b>77,551</b>
<b>Total equity and liabilities</b>		<b>126,477</b>	<b>137,935</b>	<b>70,815</b>	<b>79,416</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-Mar-17 HK\$'000</b>	<b>Group As at 31-Mar-16 HK\$'000</b>
<b>Note 1 – Inventories</b>		
Raw materials	4,783	3,075
Work in progress	1,484	1,119
Finished goods	16,768	22,555
	23,035	26,749
	23,035	26,749

**Note 2 – Trade and other receivables**

Trade receivables	36,140	40,935
Bill receivables	3,069	2,815
Other receivables	2,099	3,807
	41,308	47,557
	41,308	47,557

**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 March 2017</b>		<b>As at 31 March 2016</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 March 2017</b>		<b>As at 31 March 2016</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
-	-	-	-

**Details of any collateral**

The Group does not have any bank borrowings or debt securities as at 31 March 2017 and 31 March 2016.

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)	
	4Q2017	4Q2016	FY2017	FY2016
<b>Operating activities</b>				
Profit before tax, total	1,077	2,204	6,978	9,974
Adjustments for:				
Depreciation of property, plant and equipment	692	606	2,466	2,368
Impairment loss/(Reversal of impairment loss) on inventories	366	2	(232)	(92)
Impairment loss on doubtful trade and other receivables	-	141	-	141
Loss/(Gain) on disposal of property, plant and equipment	-	2	(28)	(133)
Amortisation of government grants related to income	-	21	-	(2,440)
Interest income	(214)	(113)	(499)	(297)
Translation differences	390	504	(2,997)	(2,338)
Operating cash flows before working capital changes	2,311	3,367	5,688	7,183
(Increase)/decrease in:				
Trade and other receivables	4,266	23,607	6,249	(3,550)
Inventories	(630)	(7,142)	3,946	1,207
Prepayments	3,313	(5,572)	11,071	8,011
Amount due from related parties, net	(210)	(949)	(121)	(445)
Increase/(decrease) in:				
Trade and other payables	(8,132)	(7,802)	(9,692)	56
Other liabilities	1,647	1,120	1,229	392
Cash flows generated from operations	2,565	6,629	18,370	12,854
Interest received	214	113	499	297
Income tax paid	(200)	(271)	(852)	(453)
<b>Net cash flows generated from operating activities</b>	<b>2,579</b>	<b>6,471</b>	<b>18,017</b>	<b>12,698</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(964)	(1,039)	(4,641)	(6,457)
Proceeds from disposal of property, plant and equipment	-	(2)	28	133
Government grants received	-	(7)	-	805
<b>Net cash flows used in investing activities</b>	<b>(964)</b>	<b>(1,048)</b>	<b>(4,613)</b>	<b>(5,519)</b>
<b>Financing activities</b>				
Proceeds from issuance of new ordinary shares	-	-	-	3,555
Share issue expenses	-	-	-	(303)
Dividends paid to non-controlling interests	(2,480)	(2,098)	(2,480)	(2,098)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(2,480)</b>	<b>(2,098)</b>	<b>(2,480)</b>	<b>1,154</b>
Net (decrease)/increase in cash and cash equivalents	(865)	3,325	10,924	8,333
Effect of exchange rate changes on cash and cash equivalents	715	287	(2,445)	(1,214)
Cash and cash equivalents at beginning of financial period/year	43,242	31,001	34,613	27,494
<b>Cash and cash equivalents at end of financial period/year</b>	<b>43,092</b>	<b>34,613</b>	<b>43,092</b>	<b>34,613</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)	
4Q2017	4Q2016	FY2017	FY2016

**Note A:**

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

Aggregate cost of property, plant and equipment acquired	1,492	4,412	3,737	6,178
Add: Payment for prior years acquisitions	-	-	213	374
Less: Outstanding payments	(34)	(57)	(49)	(213)
(Less)/Add: Movement of prepayments made	(494)	(3,316)	740	118
Cash payments made to acquire property, plant and equipment	<b>964</b>	<b>1,039</b>	<b>4,641</b>	<b>6,457</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							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>4Q2017</b>								
Opening balance at 1 January 2017	74,424	49,892	148,309	(38,620)	(74,397)	344	14,256	24,532
Profit for the period	861	282	-	282	-	-	-	579
Other comprehensive income for the period, net of tax	1,259	928	-	-	-	-	928	331
Total comprehensive income for the period	2,120	1,210	-	282	-	-	928	910
<u>Others</u>								
Dividends distributed to non-controlling interests	(2,480)	-	-	-	-	-	-	(2,480)
Appropriation to reserve	-	-	-	(79)	-	79	-	-
Total others	(2,480)	-	-	(79)	-	79	-	(2,480)
Closing balance at 31 March 2017	74,064	51,102	148,309	(38,417)	(74,397)	423	15,184	22,962

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				Foreign currency translation reserve			Non-controlling interests
	Equity, total HK\$'000	Company, total HK\$'000	Share capital HK\$'000	Accumulated losses HK\$'000	Restructuring reserve HK\$'000	Statutory reserve HK\$'000	reserve HK\$'000	
<b>Group</b>								
<b>FY2017</b>								
Opening balance at 1 April 2016	76,217	51,912	148,309	(41,842)	(74,397)	45	19,797	24,305
Profit for the year	6,636	3,803	-	3,803	-	-	-	2,833
Other comprehensive income for the year, net of tax	(6,309)	(4,613)	-	-	-	-	(4,613)	(1,696)
Total comprehensive income for the year	327	(810)	-	3,803	-	-	(4,613)	1,137
<u>Others</u>								
Dividends distributed to non-controlling interests	(2,480)	-	-	-	-	-	-	(2,480)
Appropriation to reserve	-	-	-	(378)	-	378	-	-
Total others	(2,480)	-	-	(378)	-	378	-	(2,480)
Closing balance at 31 March 2017	74,064	51,102	148,309	(38,417)	(74,397)	423	15,184	22,962



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	
<b>Group</b>								
<b>4Q2016</b>								
Opening balance at 1 January 2016	76,038	50,685	148,309	(42,385)	(74,397)	-	19,158	25,353
Profit for the period	1,443	588	-	588	-	-	-	855
Other comprehensive income for the period, net of tax	834	639	-	-	-	-	639	195
Total comprehensive income for the period	2,277	1,227	-	588	-	-	639	1,050
<u>Others</u>								
Dividends distributed to non-controlling interests	(2,098)	-	-	-	-	-	-	(2,098)
Appropriation to reserve	-	-	-	(45)	-	45	-	-
Total others	(2,098)	-	-	(45)	-	45	-	(2,098)
Closing balance at 31 March 2016	76,217	51,912	148,309	(41,842)	(74,397)	45	19,797	24,305

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	
<b>Group</b>								
<b>FY2016</b>								
Opening balance at 1 April 2015	70,040	44,761	145,057	(48,559)	(74,397)	-	22,660	25,279
Profit for the year	8,892	6,762	-	6,762	-	-	-	2,130
Other comprehensive income for the year, net of tax	(3,869)	(2,863)	-	-	-	-	(2,863)	(1,006)
Total comprehensive income for the year	5,023	3,899	-	6,762	-	-	(2,863)	1,124
<u>Contributions by and distributions to owners</u>								
Issuance of new ordinary shares	3,555	3,555	3,555	-	-	-	-	-
Share issuance expenses	(303)	(303)	(303)	-	-	-	-	-
Total transactions with the owners in their capacity as owners	3,252	3,252	3,252	-	-	-	-	-
<u>Others</u>								
Dividends distributed to non-controlling interests	(2,098)	-	-	-	-	-	-	(2,098)
Appropriation to reserve	-	-	-	(45)	-	45	-	-
Total others	(2,098)	-	-	(45)	-	45	-	(2,098)
Closing balance at 31 March 2016	76,217	51,912	148,309	(41,842)	(74,397)	45	19,797	24,305

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 capital</b> HK\$'000	<b>Accumulated losses</b> HK\$'000	<b>Foreign currency translation reserve</b> HK\$'000
<b>Company</b>				
<b>4Q2017</b>				
Opening balance at 1 January 2017	69,266	148,309	(87,184)	8,141
Loss for the period	(1,186)	-	(1,186)	-
Other comprehensive income for the period, net of tax	856	-	-	856
Total comprehensive income for the period	(330)	-	(1,186)	856
Closing balance at 31 March 2017	68,936	148,309	(88,370)	8,997

<b>Company</b>				
<b>4Q2016</b>				
Opening balance at 1 January 2016	78,400	148,309	(83,018)	13,109
Loss for the period	(1,448)	-	(1,448)	-
Other comprehensive income for the period, net of tax	599	-	-	599
Total comprehensive income for the period	(849)	-	(1,448)	599
Closing balance at 31 March 2016	77,551	148,309	(84,466)	13,708

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 capital</b> HK\$'000	<b>Accumulated losses</b> HK\$'000	<b>Foreign currency translation reserve</b> HK\$'000
<b>Company</b>				
<b>FY2017</b>				
Opening balance at 1 April 2016	77,551	148,309	(84,466)	13,708
Loss for the year	(3,904)	-	(3,904)	-
Other comprehensive income for the year, net of tax	(4,711)	-	-	(4,711)
Total comprehensive income for the year	(8,615)	-	(3,904)	(4,711)
Closing balance at 31 March 2017	68,936	148,309	(88,370)	8,997
<b>Company</b>				
<b>FY2016</b>				
Opening balance at 1 April 2015	81,979	145,057	(80,007)	16,929
Loss for the year	(4,459)	-	(4,459)	-
Other comprehensive income for the year, net of tax	(3,221)	-	-	(3,221)
Total comprehensive income for the year	(7,680)	-	(4,459)	(3,221)
<b>Contributions by and distributions to owners</b>				
Issuance of new ordinary shares	3,555	3,555	-	-
Share issuance expenses	(303)	(303)	-	-
Total transactions with the owners in their capacity as owners	3,252	3,252	-	-
Closing balance at 31 March 2016	77,551	148,309	(84,466)	13,708

- 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 March 2017 and 31 December 2016	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 period.

- 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 March 2017</b>	<b>As at 31 March 2016</b>
Total number of issued shares excluding treasury shares	409,800,000	409,800,000

The Company did not have any treasury shares as at 31 March 2017 and 31 March 2016.

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

Not applicable, 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 consistently 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 2016, except for the adoption of certain new or revised financial reporting standards (“FRS”) and Interpretations to FRS (“INT FRS”) which became mandatory from 1 April 2016. The adoption of these FRS and INT FRS has no significant impact to the financial position or performance of the Group and the Company.

**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.**

Please see explanation in note 4 above.

**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			
		4Q2017	4Q2016	FY2017	FY2016
Profit for the period/year attributable to owners of the Group, after deducting non-controlling interests	HK\$'000	282	588	3,803	6,762
Earnings per share Basic	HK cents	0.07	0.15	0.93	1.68

Basic earnings per share for the 4Q2017 and FY2017 are calculated based on weighted average number of shares issued of 409,800,000 (for 4Q2016 and FY2016: 403,483,000) ordinary shares.

Diluted earnings per share are not presented as there were no potential dilutive securities as at 31 March 2017 and 31 March 2016.

**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 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Net assets per ordinary share after deducting non-controlling interests, based on 409.8 million shares as at 31 March 2017 (31 March 2016: 409.8 million shares)	HK cents 12.47	HK cents 12.67	HK cents 16.82	HK cents 18.92

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 2017 to 31 March 2017 ("4Q2017") vs 1 January 2016 to 31 March 2016 ("4Q2016")**

**Overall profit and loss**

Our Group revenue declined by 23.6% in 4Q2017 as compared to 4Q2016 which was mainly due to the decrease in sales from both In Mould Decoration and the Plastic Injection Parts ("IMD and Plastic Injection Parts") segment and Automobile Component Parts segment. In line with the decrease in 4Q2017 revenue, overall gross profit in 4Q2017 also decreased by 23.0% as compared to 4Q2016.

As compared to 4Q2016, other items of income decreased by 20.8% in 4Q2017, mainly due to the decrease in rental income in 4Q2017. Other items of expense decreased by 16.3% in 4Q2017, mainly due to the decrease in selling and administrative expenses from both said business segments as a result of the decrease in business volume.

Following the decrease in the chargeable income of the Group's entities in People's Republic of China ("PRC"), the income tax expense of the Group decreased from HK\$0.8 million in 4Q2016 to HK\$0.2 million in 4Q2017. In addition, the decrease was also due to finalisation of advanced technology enterprise status by one of our subsidiaries which is currently subject to a lower tax rate.

Arising from the above, the Group recorded a net profit of HK\$0.9 million in 4Q2017 as compared to HK\$1.4 million in 4Q2016.

<b><u>Revenue and Gross Profit</u></b>	<b>IMD and Plastic Injection Parts</b>	<b>Automobile Component Parts</b>	<b>Total</b>
	<b>(HK\$'000)</b>	<b>(HK\$'000)</b>	<b>(HK\$'000)</b>
<b><u>Fourth quarter of the financial year</u></b>			
<b>4Q2017 Revenue</b>	8,582	24,608	<b>33,190</b>
<b>4Q2016 Revenue</b>	9,171	34,256	<b>43,427</b>
<b>% change</b>	(6.4)	(28.2)	<b>(23.6)</b>
<b>4Q2017 Sales mix</b>	25.9	74.1	<b>100.0</b>
<b>4Q2016 Sales mix</b>	21.1	78.9	<b>100.0</b>
<b>4Q2017 Gross profit</b>	2,237	6,264	<b>8,501</b>
<b>4Q2016 Gross profit</b>	2,790	8,245	<b>11,035</b>
<b>% change</b>	(19.8)	(24.0)	<b>(23.0)</b>
<b>4Q2017 Gross profit margin</b>	26.1%	25.5%	<b>25.6%</b>
<b>4Q2016 Gross profit margin</b>	30.4%	24.1%	<b>25.4%</b>
<b>Percentage point difference</b>	(4.3)	1.4	<b>0.2</b>

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.**

### **Revenue and Gross Profit**

#### **IMD and Plastic Injection Parts segment**

IMD revenue declined by 6.4% in 4Q2017 as compared to 4Q2016, mainly due to decrease in sales of IMD and plastic injection parts used for electrical household appliances in 4Q2017. Following the decline in 4Q2017 revenue and lower capacity utilisation rate, gross margin of our IMD and Plastic Injection Parts segment also decreased from 30.4% in 4Q2016 to 26.1% in 4Q2017.

#### **Automobile Component Parts Segment**

Revenue from our Automobile Component Parts segment decreased by 28.2% in 4Q2017 as compared to 4Q2016 mainly due to decrease in sales of automobile component parts used in the older car models of Beijing Hyundai which declined in 4Q2017 as Hyundai renews its product range. The sales of automobile component parts used in its newer car model recently introduced into the market has also yet to ramp up. In 4Q2017, sales to Beijing-Hyundai accounted for approximately 68.3% of the Group's total revenue (4Q2016: 78.8%).

Despite the decline in revenue, gross margin of our Automobile Component Parts segment improved slightly from 24.1% in 4Q2016 to 25.5% in 4Q2017. The improvement in gross margin was mainly due to:

- (i) One-off mould cost subsidy from the customers; and
- (ii) A more favourable sales mix with a higher proportion of automobile components supplied to 北汽集团 (“**Baic Motor**”) which has higher contribution margin

### **Other items of income**

Interest income increased by 89.4 % in 4Q2017 as compared to 4Q2016, mainly due to the increase in interest income on our bank accounts and fixed deposits placed with the banks in PRC.

Other income decreased by 42.2% in 4Q2017 as compared to 4Q2016, mainly due to decrease in rental income as a result of reduction demand in floor space rented.

### **Other items of expense**

Selling and distribution expenses decreased by 20.4% in 4Q2017 as compared to 4Q2016, mainly due to the decline in revenue from both business segments.

General and administrative expenses decreased by 17.9% in 4Q2017 as compared to 4Q2016, mainly due to decrease in general and administrative expenses from our both business segments as a result of the decreased business volume.

Depreciation of property, plant and equipment increased by 14.2% in 4Q2017 as compared to 4Q2016, mainly arisen from property, plant and equipment newly acquired by our both IMD and Plastic Injection Parts segment and Automobile Component Parts segment during this financial year.

Other charges increased by 128.0% in 4Q2017 as compared to 4Q2016, mainly due to increase in impairment loss on inventories provided for the slow moving inventories from our Automobile Component Parts segment.



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.**

#### **Taxation**

Income tax expense decreased by 71.6% in 4Q2017 as compared to 4Q2016, mainly due to decrease in total chargeable income of the Group's entities in PRC. The lower effective tax rate of current income taxation in 4Q2017 was also due to one of our subsidiaries in PRC which qualified for the advanced technology enterprise status resulting in a lower tax rate of 15% .

#### **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 financial statements of the Group. The exchange rate of RMB against Hong Kong dollars had appreciated by about 1.2% in 4Q2017 as compared to 0.8% in 4Q2016.

#### **Financial year ended 31 March 2017 ("FY2017") vs 31 March 2016 ("FY2016")**

##### **Overall profit and loss**

Our Group revenue declined by 6.6% in FY2017 as compared to FY2016 mainly due to the decrease in sales from our Automobile Component Parts segment, partially offset by the increase in sales from our IMD and Plastic Injection Parts segment. Despite the 6.6% decline in revenue, overall gross profit in FY2017 marginally decreased by 1.2% as compared to FY2016 as a result of the declined gross profit had been mitigated by higher production efficiency achieved and mould subsidies with higher contribution margin achieved by our Automobile Component Parts segment

As compared to FY2016, the total other items of income decreased by 25.4% in FY2017. The decrease was mainly due to decrease in government grants related to income which was partially offset by the increase in rental income and net foreign exchange gain. The total other items of expense increased by 3.4% in FY2017 mainly due to increases in employee benefit expenses in FY2017.

Following the decrease in the chargeable income of the Group's entities in PRC, the income tax expense of the Group decreased from HK\$1.1 million in FY2016 to HK\$0.3 million in FY2017. The decrease was also due to the write-back of over-provision of income tax in the prior reporting year following the finalisation of advanced technology enterprise status with the local tax authorities which is subjected to a lower tax rate.

Arising from the above, the Group recorded a net profit of HK\$6.6 million in FY2017 as compared to HK\$8.9 million in FY2016.

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.

<b><u>Revenue and Gross Profit</u></b>	<b>IMD and Plastic Injection Parts</b>	<b>Automobile Component Parts</b>	<b>Total</b>
	<b>(HK\$'000)</b>	<b>(HK\$'000)</b>	<b>(HK\$'000)</b>
<b><u>Financial Year</u></b>			
<b>FY2017 Revenue</b>	38,415	146,314	<b>184,729</b>
<b>FY2016 Revenue</b>	37,579	160,271	<b>197,850</b>
<b>% change</b>	2.2	(8.7)	<b>(6.6)</b>
<b>FY2017 Sales mix</b>	20.8	79.2	<b>100.0</b>
<b>FY2016 Sales mix</b>	19.0	81.0	<b>100.0</b>
<b>FY2017 Gross profit</b>	9,908	27,545	<b>37,453</b>
<b>FY2016 Gross profit</b>	10,223	27,676	<b>37,899</b>
<b>% change</b>	(3.1)	(0.5)	<b>(1.2)</b>
<b>FY2017 Gross profit margin</b>	25.8%	18.8%	<b>20.3%</b>
<b>FY2016 Gross profit margin</b>	27.2%	17.3%	<b>19.2%</b>
<b>Percentage point difference</b>	(1.4)	1.5	<b>1.1</b>

### **Revenue and Gross Profit**

#### **IMD and Plastic Injection Parts segment**

IMD revenue increased by 2.2% in FY2017 as compared to FY2016 mainly due to increase in sales of IMD and plastic injection parts used for mobile phone in FY2017. Despite the increase in FY2017 revenue, gross margin of our IMD and Plastic Injection Parts segment decreased by 1.4% to 25.8% in FY2017 as compared to 27.2% in FY2016 due to outsourced production that contributed lower margin which commenced in July 2016 in order to reduce labour cost commitment and capital commitment.

#### **Automobile Component Parts Segment**

Revenue from our Automobile Component Parts segment decreased by 8.7% in FY2017 as compared to FY2016 was mainly due to the decrease in sales of automobile component parts used in the older car models of Beijing Hyundai which declined in FY2017 as Hyundai renews its product range. The sales of automobile component parts used in its newer car model recently introduced into the market has also yet to ramp up. In FY2017, sales to Beijing-Hyundai, accounted for approximately 76.8% of the Group's total revenue (FY2016: 80.8%).

Despite the decline in revenue, gross margin of our Automobile Component Parts segment slightly improved from 17.3% in FY2016 to 18.8% in FY2017. The improvement on gross margin was mainly due to:

- (i) Implementation of more efficient production processes and effective production planning to improve the production utilisation rate for both in-house and outsourced production;
- (ii) One-off mould cost subsidy from our customers;
- (iii) Favourable sales mix with a higher proportion of automobile components supplied to Baic Motor vehicles which has higher contribution margin; and
- (iv) Material price reduction from our suppliers.

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 items of income**

Interest income had increased by 68.0% in FY2017 as compared to FY2016 mainly due to the increase in our bank account balances and fixed deposits placed with the bank in PRC.

Other income decreased by 30.6% in FY2017 as compared to FY2016. The decrease in other income in FY2017 was mainly due to decrease in government grants related to income, partially offset by the increase in rental income which was only commenced in October 2015 and increase in net foreign exchange gain from the business operations as a result of the exchange rate of RMB against Hong Kong dollars had depreciated by about 6.2% in FY2017 as compared to 3.9% in FY2016, which resulted in exchange gains on the RMB denominated payable balances of our subsidiary in Hong Kong owing to our subsidiaries in PRC and British Virgin Islands.

#### **Other items of expense**

Following the decline in revenue, selling and distribution expenses decreased by 9.4% in FY2017 as compared to FY2016 and tighter cost control.

General and administrative expenses increased by 10.1% in FY2017 as compared to FY2016 was mainly due to:

- i) Increase in employee benefit expenses, mainly arising from employee salary increments since the fourth quarter for the financial year ended 31 March 2016;
- ii) Increase in corporate expenses by our Singapore office as a result of increase in professional fees such as continuing sponsorship fee which only commenced in March 2016; and
- iii) Increase in research and product testing expenses which mainly relate to the development of new products for both business segment and research expenses for new potential business activities.

Depreciation of property, plant and equipment increased by 4.1% in FY2017 as compared to FY2016, mainly arisen from property, plant and equipment newly acquired by our both IMD and Plastic Injection Parts segment and Automobile Component Parts segment during this financial year.

The Group recorded other credit of HK\$0.2 million, mainly due to a write-back of impairment loss on inventories provided for those slow moving inventories in the previous financial years as such inventory costs had been realised in the income statement in FY2017.

#### **Taxation**

Income tax expense decreased by 68.4% in FY2017 as compared to FY2016, mainly due to decrease in total chargeable income of the Group's entities in PRC. The lower effective tax rate of current income taxation in FY2017 was mainly due to the write back of over-provision of income tax in the prior reporting year following the finalisation of advanced technology enterprise status with the local tax authorities by one of our subsidiaries which is subject to a lower tax rate.

#### **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 financial statements of the Group. The exchange rate of RMB against Hong Kong dollars had depreciated by about 6.2% in FY2017 respectively as compared to 3.9% in FY2016.

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.**

### **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 renovation works of factories from both business segments; offset by
- Depreciation charges to date of HK\$2.5 million; and
- Foreign translation loss of HK\$0.9 million.

As at 31 March 2017, non-current prepayment comprised prepayments made for property, plant and equipment. The increase was mainly from the acquisition of plant and equipment for our Automobile Component Parts segment.

#### Current assets

Inventories of our Group as at 31 March 2017 decreased by 13.9% as compared to 31 March 2016. This was mainly due to decrease in automobile moulds which are used in the production of automobile components in Beijing, in line with the decreased demand of automobile components. Consequently, inventory turnover days also decreased from 61 days as at 31 March 2016 to 57 days as at 31 March 2017.

Trade receivables and bill receivables of our Group as at 31 March 2017 had decreased by 10.4% as compared to 31 March 2016, mainly due to decrease in trade receivables from our Automobile Component Parts segment as a result of decline in revenue and prompt collection from our customers. As such, the combined trade and bill receivable turnover days had also reduced to 77 days as at 31 March 2017 as compared to 81 days as at 31 March 2016.

Other receivables as at 31 March 2017 had decreased by 44.9% as compared to 31 March 2016. The decrease in other receivables was mainly due to the decrease in receivables from the provision of raw materials to sub-contractors for further processing of our automobile component products.

Current prepayments mainly comprised prepayments made to suppliers and sub-contractors. The prepayments decreased subsequent to the receipt of goods and services from suppliers and sub-contractors from our Automobile Component Parts Segment and refund of prepayment upon the cancellation of orders placed with suppliers previously.

#### Current Liabilities

Trade and other payables as at 31 March 2017 decreased by 20.0% as compared to 31 March 2016, mainly due to decrease in trade payables from our Automobile Component Parts segment as a result of decrease in production volume. As such, the trade payable turnover days had also decreased from 106 days as at 31 March 2016 to 91 days as at 31 March 2017.

Other liabilities as at 31 March 2017 increased by 11.1% as compared to 31 March 2016, mainly due to increase in advances for orders made from our automobile component customers.

The decrease in amount due to related parties was mainly due to repayment made to a director during the financial year reported on.

The decrease in provision for income taxation was mainly due to income tax payment made and reversal of overprovision of income tax during the financial year reported on.

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.**

**Cash flow**

**Financial period from 1 January 2017 to 31 March 2017 ("4Q2017") vs 1 January 2016 to 31 March 2016 ("4Q2016")**

The Group's cash and cash equivalents decreased by HK\$0.9 million in 4Q2017. In 4Q2017, the Group recorded net cash flows generated from operating activities of HK\$2.6 million. This was mainly due to operating cash inflows before movements in working capital of HK\$2.3 million, working capital inflow of HK\$0.3 million and interest received of HK\$0.2 million in 4Q2017. The 4Q2017 cash inflows were partially offset by income tax paid of HK\$0.2 million in 4Q2017.

The Group also utilised HK\$1.0 million in 4Q2017 in investing activities mainly relating to purchase of plant and equipment and renovation works of factories, and paid dividends of HK\$2.5 million to non-controlling interests .

**Financial year ended 31 March 2017 ("FY2017") vs 31 March 2016 ("FY2016")**

The Group's cash and cash equivalents increased by HK\$10.9 million in FY2017. In FY2017, the Group recorded net cash flows generated from operating activities of HK\$18.0 million. This was mainly due to working capital inflow of HK\$12.7 million, operating cash inflows before movements in working capital of HK\$5.7 million and interest received of HK\$0.5 million in FY2017. The FY2017 cash inflows were partially offset by income tax paid of HK\$0.9 million in FY2017.

The Group also utilised HK\$4.6 million in FY2017 in investing activities mainly relating to purchase of plant and equipment and renovation works of factories and paid dividends of HK\$2.5 million to non-controlling interests.

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 issued.

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 automobile and consumer electronics market in PRC. Given the expected lacklustre performance of Chinese economy in 2017, we expect business conditions to remain challenging. In addition, there are continuing uncertainties over the strength of the global economy resulting in a more volatile and unstable business environment.

For our Automobile Component Parts segment, we expect the sales to Beijing-Hyundai to remain weak. Nonetheless, fundamentals of the operation had stabilized with improved production efficiency. As we derive a significant proportion of our revenue from the China automobile industry, our strategy is to seek new customers from different industries and at the same time secure additional contracts from existing customers by providing high quality products. Historically, the strength of our relationships and capability had resulted in recurring revenue from existing customers. We will also continue to focus on improving production and operational efficiency.

**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.**

For our IMD and Plastic Injection Parts segment, we will continue to improve the existing operation through better leverage of our core business strength and strengthen collaboration with our existing business partners as well as exploring other new products range and sales channel with stronger scalability and sustainability.

As at the date of this announcement, the Group had ceased negotiations with the potential party for the business collaboration of water treatment as both parties could not come to terms. The Group will continue to assess new business opportunities and potential acquisition of new businesses with long term prospects that will 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/recommended, a statement to that effect.**

No dividend has been declared or recommended.

**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.**

	<b>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</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) HK\$'000</b>
<b>Shenzhen Kunda Precision Mould Co., Ltd <sup>(1)</sup> ("Shenzhen Precision")</b>		
Rental of factory premises at Bao Long Yi Road, Shenzhen	855	-
<b>Total</b>	<b>855</b>	<b>-</b>

### 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.**

No interested person transaction mandate was obtained from shareholders

#### **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 Directors, Yang Jinbiao and 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 services, and 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) Automobile Component Parts  
The Automobile Component Parts segment provides plastic component parts used in the manufacture of automobiles.

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

The 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.

Transfer prices between operating segments are on arm’s length basis in a manner similar to transactions with third parties.

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  
FY2017 (HK\$'000)**

	<b>IMD and Plastic Injection Parts</b>	<b>Automobile Component Parts</b>	<b>Total</b>
<b>Revenue</b>			
Sales to external customers	38,415	146,314	184,729
<b>Segment results:</b>			
Segment gross profit	9,908	27,545	37,453
Depreciation of property, plant and equipment	(476)	(1,990)	(2,466)
Collection of previously impaired trade and other receivables	39	-	39
Reversal of/ (impairment loss) on inventories	567	(335)	232
Gain on disposal on property, plant and equipment	7	21	28
Research and product testing expenses	(800)	(1,066)	(1,866)
Unallocated expenses, net			(26,442)
Profit before tax			6,978

**Business segment  
FY2016 (HK\$'000)**

	<b>IMD and Plastic Injection Parts</b>	<b>Automobile Component Parts</b>	<b>Total</b>
<b>Revenue</b>			
Sales to external customers	37,579	160,271	197,850
<b>Segment results:</b>			
Segment gross profit	10,223	27,676	37,899
Depreciation of property, plant and equipment	(663)	(1,705)	(2,368)
Impairment loss on doubtful trade and other receivables	(141)	-	(141)
(Impairment loss)/Reversal of impairment loss on inventories	(64)	156	92
Gain on disposal on property, plant and equipment	-	133	133
Research and product testing expenses	(156)	(1,420)	(1,576)
Unallocated expenses, net			(24,065)
Profit before tax			9,974



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:

**FY2017 (HK\$'000)**

	<b>Asia except for PRC</b>	<b>PRC</b>	<b>Total</b>
<b>Revenue</b>			
Sales to external customers	1,105	183,624	184,729
Non-current assets	-	15,563	15,563

**FY2016 (HK\$'000)**

	<b>Asia except for PRC</b>	<b>PRC</b>	<b>Total</b>
<b>Revenue</b>			
Sales to external customers	46	197,804	197,850
Non-current assets	-	14,466	14,466

Non-current assets information presented above consist of property, plant and equipment and prepayments 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 increase in sales in Asia except for PRC was attributed the increase in sales of our IMD and Plastic Injection Parts to the customers in this market. The decrease in sales in the PRC was mainly due to the decrease in sales of our Automobile Component Parts in Beijing.

**16. A breakdown of sales.**

	<b>Group</b>		
	<b>FY2017 HK\$'000</b>	<b>FY2016 HK\$'000</b>	<b>% (Decrease)/ Increase</b>
<u>First Half</u>			
Revenue reported for the first half year	101,861	91,466	11.4
Net profit after tax and non-controlling interest	2,860	4,766	(40.0)
<u>Second Half</u>			
Revenue reported for the second half year	82,868	106,384	(22.1)
Net profit after tax and non-controlling interest	943	1,996	(52.8).

Net profit after tax and non-controlling interest of the Group decreased from HK\$2.9 million in first half of FY2017 (“**1H2017**”) to HK\$0.9 million in second half year of FY2017 (“**2H2017**”). The decrease was mainly due to decline in revenue from HK\$101.9 million in 1H2017 to HK\$82.9 million in 2H2017, which resulted overall gross profit dropped from HK\$20.0 million in 1H2017 to HK\$17.4 million in 2H2017.

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

None.

**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 2017 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**  
**24 May 2017**