



CHINA KUNDA TECHNOLOGY HOLDINGS LIMITED

Company registration number: 200712727W

Unaudited Financial Statements for the Financial Year ended 31 March 2018

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

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

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

<u>Consolidated Income Statement</u>	Note	Group (HK\$'000)			Group (HK\$'000)		
		3 months ended		Change	Year ended		Change
		31-Mar-18 ("4Q2018")	31-Mar-17 ("4Q2017")	%	31-Mar-18 ("FY2018")	31-Mar-17 ("FY2017")	%
Continuing operations							
Revenue		11,894	8,582	38.6	48,829	38,415	27.1
Cost of sales		(8,116)	(6,345)	27.9	(33,029)	(28,507)	15.9
Gross profit		3,778	2,237	68.9	15,800	9,908	59.5
Other items of income							
Interest income		100	173	(42.2)	373	321	16.2
Other income	1	7	29	(75.9)	475	1,757	(73.0)
Other items of expense							
Selling and distribution expenses		(511)	(316)	61.7	(2,244)	(1,713)	31.0
General and administrative expenses		(4,021)	(3,388)	18.7	(13,111)	(11,612)	12.9
Other (charges)/credit	2	(907)	(294)	n.m.	(2,612)	555	n.m.
Loss before taxation	3	(1,554)	(1,559)	(0.3)	(1,319)	(784)	68.2
Income tax expense		(149)	-	n.m.	(149)	-	n.m.
Loss from continuing operations, net of tax		(1,703)	(1,559)	9.2	(1,468)	(784)	87.2
Discontinued operation							
Profit from discontinued operation, net of tax	4	(298)	2,420	(112.3)	20,178	7,420	171.9
(Loss)/Profit for the year		(2,001)	861	n.m.	18,710	6,636	181.9

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
		4Q2018	4Q2017	%	FY2018	FY2017	%
		HK\$'000	HK\$'000		HK\$'000	HK\$'000	
Attributable to:							
Owners of the Company							
Loss from continuing operations, net of tax		(1,703)	(1,559)	9.2	(1,468)	(784)	87.2
(Loss)/Profit from discontinued operations, net of tax		(168)	1,841	(109.1)	11,579	4,587	152.4
(Loss)/Profit for the year attributable to owners of the Company		(1,871)	282	n.m.	10,111	3,803	165.9
Non-controlling interests							
(Loss)/Profit from discontinued operations, net of tax		(130)	579	(122.5)	8,599	2,833	203.5
(Loss)/Profit for the year attributable to non-controlling interests		(130)	579	(122.5)	8,599	2,833	203.5
(Loss)/Profit for the year		(2,001)	861	n.m.	18,710	6,636	181.9
Other comprehensive income:							
Items that may be subsequently reclassified to profit & loss:							
Foreign currency translation		4,533	1,259	260.0	11,614	(6,309)	n.m.
Other comprehensive income for the year, net of tax		4,533	1,259	260.0	11,614	(6,309)	n.m.
Total comprehensive income for the year		2,532	2,120	19.4	30,324	327	n.m.
Attributable to:							
Owners of the Company							
Owners of the Company		1,497	1,210	23.7	18,562	(810)	n.m.
Non-controlling interests		1,035	910	13.7	11,762	1,137	n.m.
Total comprehensive income for the year		2,532	2,120	19.4	30,324	327	n.m.
Attributable to:							
Owners of the Company							
Total comprehensive income from continuing operations, net of tax		121	(1,141)	n.m.	3,284	(3,573)	n.m.
Total comprehensive income from discontinued operation, net of tax		1,376	2,351	(41.5)	15,278	2,763	452.9
Total comprehensive income for the year attributable to owners of the Company		1,497	1,210	23.7	18,562	(810)	n.m.

n.m. : not meaningful

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

	Group			Group		
	4Q2018	4Q2017	Change	FY2018	FY2017	Change
	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	%
Note 1 – Other income						
Sale of raw materials/ scrap materials	1	(1)	n.m.	36	53	(32.1)
Gain on disposal of property, plant and equipment	2	-	n.m.	116	7	n.m.
Government grants related to income	4	-	n.m.	323	8	n.m.
Net foreign exchange gain	-	-	n.m.	-	1,618	n.m.
Rental income	-	30	(100.0)	-	71	(100.0)
	<u>7</u>	<u>29</u>	<u>(75.9)</u>	<u>475</u>	<u>1,757</u>	<u>(73.0)</u>
Note 2 – Other charges/(credit)						
Net foreign exchange loss	1,004	303	n.m.	2,709	-	n.m.
Collection of previously impaired trade receivables	-	(39)	n.m.	-	(39)	n.m.
Impairment loss on doubtful trade and other receivables	17	-	n.m.	17	-	n.m.
Reversal of /(Impairment loss) on inventories	(114)	31	(467.7)	(114)	(567)	(79.9)
Others	-	(1)	(100.0)	-	51	(100.0)
	<u>907</u>	<u>294</u>	<u>208.5</u>	<u>2,612</u>	<u>(555)</u>	<u>n.m.</u>
Note 3 – Loss before taxation						
This is determined after charging the following:						
Depreciation of property, plant and equipment	296	159	86.2	1,006	476	111.3
Research and product testing expenses	727	81	797.5	1,498	800	87.3
Note 4 – (Loss)/Profit from discontinued operation, net of tax						
The financial results of discontinued operation, in accordance with the requirements of FRS 105 are as follows:						
Revenue	2,520	24,608	(89.8)	97,944	146,314	(33.1)
Expenses	(739)	(21,678)	(96.6)	(71,524)	(138,416)	(48.3)
Profit from operation	1,781	2,930	(39.2)	26,420	7,898	234.5
Interest income	60	41	46.3	186	178	4.5
Reversal of/(Impairment loss) on inventories	10	(335)	n.m.	679	(335)	n.m.
(Loss)/Gain on disposal of property, plant and equipment	(234)	-	n.m.	2,577	21	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 before tax from discontinued operation	1,384	2,636	(47.5)	23,757	7,762	206.1
Income tax expense	(1,682)	(216)	n.m.	(3,579)	(342)	n.m.
(Loss)/Profit from discontinued operation, net of tax	<u>(298)</u>	<u>2,420</u>	<u>(112.3)</u>	<u>20,178</u>	<u>7,420</u>	<u>171.9</u>

n.m. : not meaningful

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

Note	Group As at 31-Mar-18 HK\$'000	Group As at 31-Mar-17 HK\$'000	Company As at 31-Mar-18 HK\$'000	Company As at 31-Mar-17 HK\$'000
<u>Non-current assets</u>				
Investment in subsidiaries	-	-	48,739	44,071
Property, plant and equipment	3,336	14,673	-	-
Prepayments	-	890	-	-
Total non-current assets	3,336	15,563	48,739	44,071
<u>Current assets</u>				
Inventories	1	3,127	23,035	-
Trade and other receivables	2	54,082	41,308	-
Prepayments		72	3,479	72
Amount due from related parties		-	23,142	25,370
Cash and bank balances		64,041	43,092	308
Total current assets		121,322	110,914	23,522
Total Assets		124,658	126,477	72,261
<u>Current liabilities</u>				
Trade and other payables		8,577	39,303	-
Other liabilities		9,371	12,280	1,980
Amount due to related parties		208	323	-
Deferred government grants		200	181	-
Provision for taxation		1,914	326	-
Total current liabilities		20,270	52,413	1,980
Net current assets		101,052	58,501	21,542
Total liabilities		20,270	52,413	1,980
Net assets		104,388	74,064	70,281
<u>Equity attributable to owners of the Company</u>				
Share capital		148,309	148,309	148,309
Accumulated losses		(29,442)	(38,417)	(94,002)
Restructuring reserve		(74,397)	(74,397)	-
Statutory reserve		1,559	423	-
Foreign currency translation reserve		23,635	15,184	15,974
		69,664	51,102	70,281
Non-controlling interests		34,724	22,962	-
Total equity		104,388	74,064	70,281
Total equity and liabilities		124,658	126,477	70,815

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-18 HK\$'000	As at 31-Mar-17 HK\$'000
Note 1 – Inventories		
Raw materials	1,463	4,783
Work in progress	1,096	1,484
Finished goods	568	16,768
	<u>3,127</u>	<u>23,035</u>

Note 2 – Trade and other receivables

Trade receivables	14,539	36,140
Bill receivables	12,673	3,069
Other receivables	26,870	2,099
	<u>54,082</u>	<u>41,308</u>

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 2018		As at 31 March 2017	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

(In HK\$'000)

As at 31 March 2018		As at 31 March 2017	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group does not have any bank borrowings or debt securities as at 31 March 2018 and 31 March 2017.

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)	
		4Q2018	4Q2017	FY2018	FY2017
Operating activities					
Loss before tax from continuing operations		(1,554)	(1,559)	(1,319)	(784)
Profit before tax from discontinued operation		1,384	2,636	23,757	7,762
(Loss)/Profit before tax, total		(170)	1,077	22,438	6,978
Adjustments for:					
Depreciation of property, plant and equipment	A	355	692	2,676	2,466
(Reversal of)/Impairment loss on inventories	B	(124)	366	(793)	(232)
Impairment loss on doubtful trade and other receivables	C	163	-	163	-
Loss/(Gain) on disposal of property, plant and equipment	D	232	-	(2,693)	(28)
Fixed assets written off		87	-	5,959	-
Interest income	E	(160)	(214)	(559)	(499)
Translation differences		3,116	390	5,779	(2,997)
Operating cash flows before working capital changes		3,499	2,311	32,970	5,688
Decrease/(increase) in:					
Trade and other receivables		5,806	4,266	12,425	6,249
Inventories		(869)	(630)	20,701	3,946
Prepayments		332	3,313	3,407	11,071
Amount due from related parties, net		267	(210)	(115)	(121)
(Decrease)/increase in:					
Trade and other payables		(2,505)	(8,132)	(30,677)	(9,692)
Other liabilities		(1,527)	1,647	(2,909)	1,229
Cash flows generated from operations		5,003	2,565	35,802	18,370
Interest received		160	214	559	499
Income tax paid		(1,929)	(200)	(2,248)	(852)
Net cash flows generated from operating activities		3,234	2,579	34,113	18,017
Investing activities					
Purchase of property, plant and equipment	F	(279)	(964)	(1,910)	(4,641)
Proceeds from disposal of property, plant and equipment		320	-	8,965	28
Advances given to non-controlling interests		(25,362)	-	(25,362)	-
Net cash flows used in investing activities		(25,321)	(964)	(18,307)	(4,613)
Financing activities					
Dividends paid to non-controlling interests		-	(2,480)	-	(2,480)
Net cash flows used in financing activities		-	(2,480)	-	(2,480)
Net (decrease)/increase in cash and cash equivalents		(22,087)	(865)	15,806	10,924
Effect of exchange rate changes on cash and cash equivalents		1,191	715	5,143	(2,445)
Cash and cash equivalents at beginning of financial year		84,937	43,242	43,092	34,613
Cash and cash equivalents at end of financial year		64,041	43,092	64,041	43,092

- 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)	
	4Q2018	4Q2017	FY2018	FY2017
Note A:				
Depreciation of property, plant and equipment:				
Depreciation of property, plant and equipment from continuing operations	296	159	1,006	476
Depreciation of property, plant and equipment from discontinued operation	59	533	1,670	1,990
Total depreciation of property, plant and equipment	355	692	2,676	2,466
Note B:				
(Reversal of)/Impairment loss on inventories:				
(Reversal of)/Impairment loss on inventories from continuing operations	(114)	31	(114)	(567)
(Reversal of)/Impairment loss on inventories from discontinued operation	(10)	335	(679)	335
Total (reversal of)/impairment loss on inventories	(124)	366	(793)	(232)
Note C:				
Impairment loss on doubtful trade and other receivables:				
Impairment loss on doubtful trade and other receivables from continuing operations	17	-	17	-
Impairment loss on doubtful trade and other receivables from discontinued operation	146	-	146	-
Total impairment loss on doubtful trade and other receivables	163	-	163	-
Note D:				
(Gain)/Loss on disposal of property, plant and equipment:				
Gain on disposal of property, plant and equipment from continuing operations	(2)	-	(116)	(7)
Loss/(Gain) on disposal of property, plant and equipment from discontinued operation	234	-	(2,577)	(21)
Total loss/(gain) on disposal of property, plant and equipment	232	-	(2,693)	(28)
Note E:				
Interest income:				
Interest income from continuing operations	100	173	373	321
Interest income from discontinued operation	60	41	186	178
Total interest income	160	214	559	499

- 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)	
4Q2018	4Q2017	FY2018	FY2017

Note F:

Cash outflow on purchase of property, plant and equipment:

Aggregate cost of property, plant and equipment acquired	279	1,492	2,751	3,737
Add: Payment for prior years acquisitions	-	-	49	213
Less: Outstanding payments	-	(34)	-	(49)
(Less)/Add: Movement of prepayments made	-	(494)	(890)	740
Cash payments made to acquire property, plant and equipment	279	964	1,910	4,641

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	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	Non- controlling interests HK\$'000
Group								
4Q2018								
Opening balance at 1 January 2018	101,856	68,167	148,309	(27,588)	(74,397)	1,576	20,267	33,689
(Loss)/Profit for the period	(2,001)	(1,871)	-	(1,871)	-	-	-	(130)
Other comprehensive income for the period, net of tax	4,533	3,368	-	-	-	-	3,368	1,165
Total comprehensive income for the period	2,532	1,497	-	(1,871)	-	-	3,368	1,035
<u>Others</u>								
Appropriation to reserve	-	-	-	(65)	-	65	-	-
Total others	-	-	-	(65)	-	65	-	-
Closing balance at 31 March 2018	104,388	69,664	148,309	(29,524)	(74,397)	1,641	23,635	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							
	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	Non- controlling interests HK\$'000
Group FY2018								
Opening balance at 1 April 2017	74,064	51,102	148,309	(38,417)	(74,397)	423	15,184	22,962
Profit for the period	18,710	10,111	-	10,111	-	-	-	8,599
Other comprehensive income for the year, net of tax	11,614	8,451	-	-	-	-	8,451	3,163
Total comprehensive income for the year	30,324	18,562	-	10,111	-	-	8,451	11,762
<u>Others</u>								
Appropriation to reserve	-	-	-	(1,136)	-	1,136	-	-
Total others	-	-	-	(1,136)	-	1,136	-	-
Closing balance at 31 March 2018	104,388	69,664	148,309	(29,442)	(74,397)	1,559	23,635	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, 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	
Group								
4Q2017								
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, 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	Non- controlling interests HK\$'000
Group								
FY2017								
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.

	<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				
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
Company				
4Q2017				
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

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				
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
Company				
FY2017				
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

- 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 2018 and 31 December 2017	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 2018	As at 31 March 2017
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 2018 and 31 March 2017.

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

Not applicable, as the Company did not have any treasury shares as at the end of the current financial 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 current 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 consistently applied the same accounting policies and methods of computation in the Group's financial statements for the current financial year as compared with the most recently audited annual financial statements for the financial year ended 31 March 2017, 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 2017. 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			
		4Q2018	4Q2017	FY2018	FY2017
(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	(1,871)	282	10,111	3,803
Earnings per share Basic	HK cents	(0.46)	0.07	2.47	0.93

Basic earnings per share for the 4Q2018 and FY2018 are calculated based on weighted average number of shares issued of 409,800,000 (4Q2017 and FY2017: 409,800,000).

Diluted earnings per share are not presented as there were no potential dilutive securities as at 31 March 2018 and 31 March 2017.

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

	Group		Company	
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
Net assets per ordinary share after deducting non-controlling interests, based on 409.8 million shares as at 31 March 2018 (31 March 2017: 409.8 million shares)	HK cents	HK cents	HK cents	HK cents
	17.00	12.47	17.15	16.82

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.**

In August 2017, the Group commenced to undertake the closure of the automobile component production facility in Beijing ("Production Closure"). In November 2017, the Group ceased its production of automobile components in Beijing after the fulfilment of outstanding orders to our automobile component customers. As such, the financial results of Beijing Baiju Automobile Component Company Limited ("BBJ"), a 57% owned subsidiary of the Group, are presented separately in the statement of comprehensive income within one line item, "Profit from discontinued operation, net of tax"

After completion of the Production Closure, the Group's principal business is the manufacture and sale of In-Mould-Decoration ("IMD") and other plastic components.

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 2018 to 31 March 2018 (“4Q2018”) vs 1 January 2017 to 31 March 2017 (“4Q2017”)

Income Statement
Continuing operations

Revenue and Gross Profit

Revenue increased by 38.6% in 4Q2018 as compared to 4Q2017, mainly due to increase in sales of IMD and plastic injection parts used for consumer electrical products in 4Q2018, which contributed to higher margins. Gross margins also increased due to improved material utilisation rate and tighter cost control. Hence the gross margin improved from 26.1% in 4Q2017 to 31.8% in 4Q2018.

Other items of income

The decrease in interest income was mainly due to decrease in interest income on fixed deposits placed with the bank.

Other items of expense

Selling and distribution expenses increased by 61.7% in 4Q2018 as compared to 4Q2017, mainly due to increase in entertainment expenses as a result of increase in revenue.

General and administrative expenses increased by 18.7% in 4Q2018 as compared to 4Q2017, mainly due to increase in research expenses which mainly relate to the new product development and new potential business activities.

Depreciation of property, plant and equipment increased from HK\$0.2 million in 4Q2017 to HK\$0.3 million in 4Q2018, mainly arising from the newly acquired property, plant and equipment for IMD during this financial year.

The Group recorded other charges of HK\$0.9 million in 4Q2018, mainly attributed to the increase in net foreign exchange loss from the intercompany balances between the companies within the Group during 4Q2018, as compared to HK\$0.3 million in 4Q2017. The foreign exchange difference arose mainly from the translation of Renminbi (“RMB”) denominated payable balances, whereby our subsidiary in Hong Kong which the functional currency is Hong Kong dollars, was owing to companies within the Group with a different functional currency i.e. RMB. In 4Q2018, Hong Kong dollars had depreciated by approximately 3.9% against RMB as compared to a depreciation of 1.2% in 4Q2017.

In 4Q2018, the Group recorded an income tax expense of HK\$0.1 million, mainly due to adjustment of under-provision in respect of prior year.

Arising from the above, the Group recorded a net loss of HK\$1.7 million from its continuing operations in 4Q2018 as compared to HK\$1.6 million in 4Q2017.

Discontinued operation

Following the Production Closure of BBJ, the revenue and expenses of discontinued operation decreased by 89.8% and 96.7% respectively in 4Q2018 as compared to 4Q2017. As such, the operating profit from discontinued operation also decreased from HK\$2.9 million in 4Q2017 to HK\$1.8 million in 4Q2018.

The interest income increased by 46.3% in 4Q2018 as compared to 4Q2017, mainly due to increase in interest income on fixed deposits following the increase in average balances of fixed deposits placed with the bank.

In 4Q2018, BBJ recorded a loss on disposal of property, plant and equipment amounting to HK\$0.2 million and an impairment loss on trade receivables amounting to HK\$0.1 million. Following the expiry of tax incentive, the income tax expense increased from HK\$0.2 million in 4Q2017 to HK\$1.7 million in 4Q2018.

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.**

Arising from the above, the Group recorded a net loss of HK\$0.3 million in 4Q2018 from its discontinued operation as compared to a net profit of HK\$2.4 million in 4Q2017.

Financial year from 1 April 2017 to 31 March 2018 (“FY2018”) vs 1 April 2016 to 31 March 2017 (“FY2017”)

Income Statement
Continuing operations

Revenue and Gross Profit

Revenue increased by 27.1% in FY2018 as compared to FY2017, mainly due to increase in sales of IMD and plastic injection parts used for consumer electrical products in FY2018, which contributed to higher margins. Gross margins also increased due to improved material utilisation rate and tighter cost control. Hence the gross margin improved from 25.8% in FY2017 to 32.4% in FY2018.

Other items of income

The increase in interest income was mainly due to the increase in our bank account balances and fixed deposits placed with a bank in PRC.

Decrease in other income in FY2018 was mainly due to the absence of net foreign exchange gains, partially offset by the increases in government grants related to income and gain on disposal of property, plant and equipment recorded in FY2018. The foreign exchange difference arose mainly from the translation of Renminbi (“RMB”) denominated payable balances, whereby our subsidiary in Hong Kong which the functional currency is Hong Kong dollars (“HK\$”), was owing to the companies within the Group with a different functional currency i.e. RMB. In FY2018, Hong Kong dollars had depreciated by approximately 10.6% against RMB as compared to an appreciation of 6.2% in FY2017, the latter had resulted foreign exchange loss (recorded under “Other Charges” in the consolidated income statement).

Other items of expense

Selling and distribution expenses increased by 31.0% in FY2018 as compared to FY2017, in tandem with the revenue growth.

General and administrative expenses increased by 12.9% in FY2018 as compared to FY2017, mainly due to increases in employee benefit expenses and other administrative expenses as a result of increased business volume, as well as increase in research expenses which mainly relate to the new product development and expenses incurred for the exploratory of new potential businesses.

Depreciation of property, plant and equipment increased from HK\$0.5 million in FY2017 to HK\$1.0 million in FY2018, mainly arising from the newly acquired property, plant and equipment during this financial year.

The Group recorded other charges of HK\$2.6 million in FY2018, mainly attributed to the abovementioned foreign exchange loss from the intercompany balances between the companies within the Group during FY2018, as compared to other credit of HK\$0.6 million in FY2017, mainly pertains to a reversal of impairment loss on inventories of HK\$0.6 million.

In FY2018, the Group recorded an income tax expense of HK\$0.1 million, mainly due to adjustment of under-provision in respect of prior year.

Arising from the above, the Group recorded a net loss of HK\$1.4 million from its continuing operations in FY2018 as compared to HK\$0.8 million in FY2017.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Discontinued operation

Following the Production Closure of BBJ, the revenue and expenses of discontinued operation decreased by 33.1% and 48.3% respectively in FY2018 as compared to FY2017. The decrease was partially offset by non-recurring revenue from the sale of moulds and automobile component subsidy recovered from the key customer, Beijing Hyundai in FY2018.

Due to the management's efforts to minimize the adverse impact from the Production Closure as well as a significant increase in one-off profit from the non-recurring revenue in FY2018, the operating profit from discontinued operation also increased from HK\$7.9 million in FY2017 to HK\$26.4 million in FY2018.

The interest income increased by 4.5% in FY2018 as compared to FY2017, mainly due to increase in interest income on fixed deposits following the increase in average balances of fixed deposits placed with the bank.

The impairment loss on inventories of HK\$0.7 million provided for the slow-moving inventories were reversed in FY2018 when such inventory costs had been realised in the income statement during the financial year reported on.

In FY2018, BBJ recorded gains on disposal of property, plant and equipment amounting to HK\$2.6 million, an impairment loss on trade receivable of HK\$0.1 million and wrote off the renovation works of the BBJ's factory and office building amounting to HK\$6.0 million after BBJ had terminated its existing operating lease agreement with the landlord.

Following the increase in chargeable income from discontinued operation and the expiry of tax incentive, the income tax expense of discontinued operation increased from HK\$0.3 million in FY2017 to HK\$3.6 million in FY2018.

Arising from the above, the Group recorded a net profit of HK\$20.2 million in FY2018 from its discontinued operation as compared to HK\$7.4 million in FY2017.

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 3.9% and 10.6% against RMB in 4Q2018 and FY2018 respectively as compared to a depreciation of 1.2% and an appreciation of 6.2% in 4Q2017 and FY2017 respectively.

Balance sheet

Non-current assets

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

- Disposal of property, plant and equipment of HK\$6.2 million as BBJ had ceased the automobile component production and therefore liquidated its property, plant and equipment;
- Fixed assets written off amounting to HK\$6.0 million for the renovation works of BBJ's factory and office building; and
- Depreciation charges to date of HK\$2.7 million; offset by
- Additions of HK\$2.8 million mainly relating to acquisition of plant and equipment and renovation works of factory in Shenzhen; and
- Foreign translation gain of HK\$0.8 million

The decrease in non-current prepayment was mainly due to decrease in prepayment made for the plant and equipment which purchases were completed during the financial year reported on.

Current assets

Inventories as at 31 March 2018 decreased by 86.4% as compared to 31 March 2017 mainly due to the Production Closure of BBJ which holds HK\$20.9 million of inventories as at 31 March 2017 included the automobile moulds, sold and realised 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.**

Trade and other receivables of our Group as at 31 March 2018 increased by 30.9% as compared to 31 March 2017 mainly due to:

- Increase in other receivables of HK\$24.8 million. Following the production closure of BBJ, BBJ had liquidated most of its assets and thus it is holding excess cash and bank balances. For better control and efficient use of such excess cash holding in BBJ, the Group and minority shareholder of BBJ had agreed to distribute part of BBJ's excess cash to both parties based on their equity interest in BBJ by way of advances granted to the shareholders of BBJ. As such, the increase in other receivables was mainly due to advances of RMB 21.5 million (equivalent to HK\$26.8 million) granted by BBJ to the minority shareholder of BBJ. As stated above, this is reciprocal arrangement that the Group itself had also drawn down similar advances of RMB 28.5 million (equivalent to HK\$35.6 million) from BBJ and remitted to another subsidiary within the Group; and
- Increase in bill receivables of HK\$9.6 million, mainly due to a bill receivable received from the automobile customer of BBJ and matured in April 2018; offset by
- Decrease in trade receivables of HK\$21.6 million, mainly due to decrease in BBJ's trade receivables following repayment by customers.

As at 31 March 2018, current prepayments mainly comprised prepayments made to the suppliers and sub-contractors of our IMD and plastic injection part business. The decrease was mainly due to the decrease in prepayment by BBJ, realised upon the receipt of goods and services from suppliers and subcontractors during the financial year reported on.

Current Liabilities

Trade and other payables decreased by 78.2% as at 31 March 2018 as compared to 31 March 2017, mainly due to:

- Decrease in BBJ's trade and other payables from HK\$33.0 million as at 31 March 2017 to HK\$0.6 million as at 31 March 2018 as a result of the Production Closure; offset by
- Increase in trade and other payables of HK\$1.7 million from our IMD and plastic injection part business as a result of the increased production volume.

Other liabilities as at 31 March 2018 decreased by 23.7% as compared to 31 March 2017, mainly due to decrease in BBJ's customer advances, realised upon the delivery of goods to the customers during the financial year reported on.

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

The increase in deferred government grant was mainly due to translation loss recorded for the balances denominated in RMB as a result of the abovementioned depreciation of HK\$ against RMB during the financial year reported on.

The increase in provision for income taxation was mainly due to income tax expenses accrued in 4Q2018.

Cash flow

Financial period from 1 January 2018 to 31 March 2018 ("4Q2018") vs 1 January 2017 to 31 March 2017 ("4Q2017")

The Group's cash and cash equivalents decreased by HK\$22.1 million in 4Q2018, mainly due to the Group recorded net cash outflow used in investing activities of HK\$25.4 million in 4Q2018, offset by net cash inflow generated from operating activities of HK\$3.2 million in 4Q2018.

The net cash inflow generated from operating activities was mainly due to operating cash inflow before movements in working capital of HK\$3.5 million, working capital inflow of HK\$1.5 million and interest received of HK\$0.2 million, partially offset by tax payment of HK\$1.9 million.

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 net cash outflow used in investing activities was mainly due to the abovementioned advances given to non-controlling interests of BBJ of HK\$25.4 million and capital expenditure of HK\$0.3 million utilised for acquisition of property, plant and equipment, offset by proceeds from disposal of property, plant and equipment of HK\$0.3 million.

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

Financial year from 1 April 2017 to 31 March 2018 (“FY2018”) vs 1 April 2016 to 31 March 2017 (“FY2017”)

The Group's cash and cash equivalents increased by HK\$15.8 million in FY2018, mainly due to the Group recorded net cash inflow generated from operating activities of HK\$34.1 million in FY2018, offset by net cash outflow used in investing activities of HK\$18.3 million in FY2018.

The net cash inflow generated from operating activities was mainly due to operating cash inflows before movements in working capital of HK\$33.0 million, working capital inflow of HK\$2.8 million and interest received of HK\$0.5 million, offset set by income tax paid of HK\$2.2 million.

The net cash outflow used in investing activities was mainly due to the abovementioned advances given to non-controlling interests of BBJ of HK\$25.4 million and capital expenditure of HK\$1.9 million utilised for acquisition of property, plant and equipment, offset by proceeds from disposal of property, plant and equipment of HK\$9.0 million.

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

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.**

As at 31 March 2018, the Production Closure of BBJ was mostly completed after its assets and liabilities had been mostly liquidated and realised. Barring unforeseen circumstances, the Group expects that the Production Closure will not have any major financial impact in the next 12 months.

The Group's current business is largely contributed by consumer electronics market in PRC. For FY2018, the financial performance of our IMD and Plastic Injection segment was relatively healthy with the revenue growth of 27.1% and the improvement on gross margin from 25.8% in FY2017 to 32.4% in FY2018. If the unrealised foreign exchange differences from the intercompany balances between the companies within the Group and corporate expenses of our Hong Kong office and Singapore office were disregarded, the net profit of our IMD and Plastic Injection segment would have improved from HK\$6.7 million in FY2017 to HK\$7.1 million in FY2018.

Barring unforeseen circumstances, the Group expects that the revenue of our IMD and Plastic Injection segment will slowly ramp up. In the short-run, the Group may continue to incur losses due to challenging business conditions. We will continue to improve the existing operations through actively improve productivity in our core business strength and strengthen collaboration with our existing business partners. In addition, we seek out other new products range and sales channels that has stronger scalability and sustainability.

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.

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.

Impact of new accounting standards

The Group will adopt the following accounting standards in the next reporting period:

Description	Effective for annual periods beginning on or after
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018

The Group have engaged external professionals to assist in quantifying the financial impact of FRS 115. Based on the assessment, the net impact to the Group for FY2018 is less than 5% of the Group's net assets. This amount will be taken up in the Group's accounts in the period beginning 1 April 2018 to 31 March 2019 ("FY2019").

The Group plans to adopt FRS 109 on the required effective date without restating prior periods' information and recognise any difference between the previous carrying amount and the carrying amount at the beginning of FY2019. Based on the preliminary assessment, we are of the view that the adoption of FRS 109 is not expected to have significant financial impact on 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.

Shenzhen Kunda Precision Mould Co., Ltd ⁽¹⁾ ("Shenzhen Precision")	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
Rental of factory premises at Bao Long Yi Road, Shenzhen	966	-
Total	966	-

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 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. Following the Production Closure of BBJ, the Group has one 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.

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

IMD and Plastic Injection Parts (HK\$'000)

	FY2018	FY2017
Revenue		
Sales to external customers	<u>48,829</u>	<u>38,415</u>
Segment results:		
Segment gross profit	15,800	9,908
Depreciation of property, plant and equipment	(1,006)	(476)
Collection of previously impaired trade and other receivables	-	39
Impairment loss on trade and other receivables	(17)	-
Reversal of impairment loss on inventories	114	567
Gain on disposal on property, plant and equipment	116	7
Research expenses	(1,498)	(800)
Unallocated expenses, net	<u>(14,828)</u>	<u>(10,029)</u>
Loss before tax	<u>(1,319)</u>	<u>(784)</u>

Geographical segment

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

FY2018 (HK\$'000)

	Asia except for PRC	PRC	Total
Revenue			
Sales to external customers	<u>1,004</u>	<u>47,825</u>	<u>48,829</u>
Non-current assets	<u>-</u>	<u>3,336</u>	<u>3,336</u>

FY2017 (HK\$'000)

	Asia except for PRC	PRC	Total
Revenue			
Sales to external customers	<u>1,105</u>	<u>37,310</u>	<u>38,415</u>
Non-current assets	<u>-</u>	<u>15,563</u>	<u>15,563</u>

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 in the PRC was attributed from the increase in sales of our IMD and Plastic Injection Parts used for the consumer electrical products in the PRC.

16. A breakdown of sales.

	Group		
	FY2018 HK\$'000	FY2017 HK\$'000	% (Decrease)/ Increase
<u>First Half</u>			
Revenue reported for the first half year	21,274	19,986	6.4
Net (loss)/profit after tax and non-controlling interest	(1,849)	2,860	n.m.
<u>Second Half</u>			
Revenue reported for the second half year	27,555	18,429	49.5
Net profit after tax and non-controlling interest	11,960	943	n.m.

The Group recorded a net profit after tax and non-controlling interest of HK\$12.0 million in second half of FY2018 (“**2H2018**”) as compared to a net loss of HK\$1.8 million in first half of FY2018 (“**1H2018**”). The improvement was mainly attributed from its discontinued operation which recorded a net profit attributable to the owners of the Company of HK\$13.0 million in 2H2018 as compared to net loss of HK\$1.4 million in 1H2018.

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 2018 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
23 May 2018