

2016 Financial Review

Financial Highlight

HK\$'M	FY2016	FY2015	Chg 2016/2015
Revenue	475.2	506.9	-6.3%
PRC	386.4	418.5	-7.7%
TW	85.7	85.0	0.8%
Gross profit	352.9	397.5	-11.2%
Gross profit margin	74.3%	78.4%	-5.3%
Profit before tax	196.2	170.4	15.2%
Profit for the period	148.4	136.8	8.5%
Basic EPS(HK cents)	7.4	6.8	8.8%

Consolidated Statement of Profit or Loss

HK\$'000	2016 Reviewed	As % of T/O	2015 Reviewed	As % of T/O	Change	Chg%
Revenue	475,225	100.0%	506,913	100.0%	(31,688)	-6.3%
Cost of sales						
- Cost of sales	(112,941)	-23.8%	(99,464)	-19.6%	(13,477)	13.5%
- Depreciation	(9,425)	-2.0%	(9,955)	-2.0%	530	-5.3%
Gross profit	352,859	74.3%	397,494	78.4%	(44,635)	-11.2%
Other income	36,426	7.7%	28,309	5.6%	8,117	28.7%
Distribution and selling expenses					0	
- Distribution and selling	(107,738)	-22.7%	(146,280)	-28.9%	38,542	-26.3%
- Depreciation	(5,404)	-1.1%	(13,381)	-2.6%	7,977	-59.6%
Administrative expenses					0	
- Administrative expense	(64,628)	-13.6%	(66,862)	-13.2%	2,234	-3.3%
- Depreciation	(8,792)	-1.9%	(10,957)	-2.2%	2,165	-19.8%
- Management option	0	0.0%	(9,334)	-1.8%	9,334	-100.0%
Other expenses	(6,506)	-1.4%	(8,596)	-1.7%	2,090	-24.3%
Profit before taxation	196,217	41.3%	170,392	33.6%	25,824	15.2%
Taxation	(47,814)	-10.1%	(33,562)	-6.6%	(14,252)	42.5%
Profit for the period	148,403	31.2%	136,830	27.0%	11,572	8.5%

Balance Sheet

HK\$'000	2016 Dec	2015 Dec	Chg%	Remark
Inventories	49,842	46,905	6.3%	Raw material 32.4M, finished products 17.4M
Trade and other receivables	85,756	54,493	57.4%	Account receivable 73.0M; prepayment and others 12.7M
Bank balances and cash	428,633	502,721	(14.7%)	
Pledged bank deposits	1,706	5,491	(68.9%)	
Non-Current assets	256,250	278,987	(8.1%)	Plant and other fixed asserts 174M
Total Assets	822,186	888,598	(7.5%)	
Trade and other payables	132,198	117,484	12.5%	Account payable 20.9M; Deposit and other payables 62M; Accrual 50.9M
Deferred income	6,223	6,593	(5.6%)	
Taxation payable	24,305	19,560	24.3%	
Non-Current Liabilities	4,787	12,332	(61.2%)	Defined benefit:4.1M
Total liabilities	167,513	155,969	7.4%	
Share capital	200,210	200,210	0.0%	
Reserves	454,463	532,418	(14.6%)	Retained earnings 150.5M
Total Equity	654,673	732,628	(10.6%)	

Cash Flow

HK\$'000	<u>2016</u>	<u>2015</u>	<u>Chg%</u>
OPENING CASH BALANCE January 1st	502,721	583,283	(13.8%)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	196,217	170,392	15.2%
Depreciation	23,621	34,293	(31.1%)
Income taxes paid	(41,159)	(37,070)	11.0%
Share based payment expense		9,334	(100.0%)
Change in working capital	(44,540)	(25,144)	77.1%
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(19,030)	(60,842)	(68.7%)
Deposit received for land use right		12,219	(100.0%)
Placement of pledged bank deposits	5,491	(9,153)	(160.0%)
Compensation income arising from termination of a tenancy agreement	19,094		NA
Dividends paid	(190,600)	(142,309)	33.9%
Foreign Exchange Effect	(23,182)	(32,282)	(28.2%)
CLOSING CASH BALANCE December 31st	428,633	502,721	(14.7%)

Key Ratio

HK\$M	2016	2015	2014	Change	
	FY	FY	FY	2015/2014	2016/2015
Basic EPS (HK cents)	7.4	6.8	3.6	91.4%	8.5%
Dividend approved	247.7	136.9	105.9	29.3%	80.9%
Bank balances and cash	428.6	502.7	583.3	(13.8%)	(14.7%)
A/R turnover days	44 days	33 days	49 days	-14 days	11 days
A/P turnover days	53 days	56 days	62 days	-7 days	-3 days
Inventory turnover days	144 days	153 days	144 days	10 days	-9 days

Note:

FY Turnover days=365*average(beginning+balance)/FY revenue(or COGS)