

2016 1H Financial Review

Financial Highlight

HKD'M	1H 2016	1H 2015	Chg 2016/2015
Revenue	240.3	265.1	-9.4%
PRC	194.4	216.8	-10.3%
TW	44.4	46.2	-3.9%
Gross profit	182.7	206.4	-11.5%
Gross profit margin	76.1%	77.9%	-1.8%
EBITDA	120.1	105.9	13.5%
EBITDA%	50.0%	39.9%	10.1%
Profit before tax	111.7	94.5	18.2%
Profit for the period	82.9	78.4	5.8%
Basic EPS (HK cents)	4.1	3.9	5.8%

Consolidated Statement of Profit or Loss

	1H 2016 Reviewed		1H 2015 Reviewed		Change	Chg%
Revenue	240,255	100.0%	265,056	100.0%	(24,801)	-9.4%
Cost of sales						
Cost of sales	(52,876)	-22.0%	(53,490)	-20.2%	614	-1.1%
Depreciation	(4,641)	-1.9%	(5,174)	-2.0%	533	-10.3%
Gross Profit	182,738	76.1%	206,391	77.9%	(23,654)	-11.5%
Other Income	26,001	10.8%	14,030	5.3%	11,971	85.3%
Distribution and Selling expenses	0					
Distribution and Selling expenses	(53,120)	-22.1%	(76,553)	-28.9%	23,433	-30.6%
Depreciation	(2,801)	-1.2%	(7,321)	-2.8%	4,520	-61.7%
Administrative expenses						
Administrative expenses	(29,013)	-12.1%	(35,040)	-13.2%	6,027	-17.2%
Depreciation	(4,620)	-1.9%	(5,686)	-2.1%	1,066	-18.7%
Management option	0	0.0%	(469)	-0.2%	469	-100.0%
Other expenses	(7,442)	-3.1%	(828)	-0.3%	(6,614)	798.7%
Profit before taxation	111,744	46.5%	94,524	35.7%	17,220	18.2%
Taxation	(28,801)	-12.0%	(16,125)	-6.1%	(12,676)	78.6%
Profit for the period	82,943	34.5%	78,399	29.6%	4,543	5.8%

Balance Sheet

HKD'000	2016 Jun	2015 Dec	Chg%	Remark
Non-Current assets	267,639	275,325	(2.8%)	Plant and other fix asset 182.2M
Inventories	48,483	46,905	3.4%	Raw Material 29.8M ; Finish Goods18.7M
Trade and other receivables	68,400	54,493	25.5%	Account Receivable 57.5M; Prepayment and others 10.9M
Bank balances and cash	563,779	502,721	12.1%	
Pledged bank deposits	3,567	9,153	(61.0%)	
Total Assets	951,868	888,597	7.1%	
Trade and other payables	161,917	117,484	37.8%	Dividend payable 58.5M;Account payable 17.9M; Deposit and other payable 51.9M; Accual 33.7M
Deferred income	6,465	6,593	(1.9%)	
Taxation payable	28,503	19,560	45.7%	
Non-Current Liabilities	7,622	12,332	(38.2%)	Defined benefit :6.2M
Total liabilities	204,507	155,969	31.1%	
Share capital	200,210	200,210	0.0%	
Reserves	547,151	532,418	2.8%	Retained earnings 216.5M
Total Equity	747,361	732,628	2.0%	

Cash Flow

HKD'000	2016 1H	2015 1H	Chg%
OPENING CASH BALANCE	502,721	583,283	(13.8%)
OPERITNG ACTIVITIES			
Profit before tax	111,744	94,524	18.2%
Depreciation	12,062	18,181	(33.7%)
Income taxes paid	(18,553)	(12,059)	53.9%
Change in working capital	(38,786)	(40,810)	(5.0%)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(9,333)	(6,280)	48.6%
Proceeds from disposal of property, plant and equipment	30		NA
Placement of pledged bank deposits	5,586		NA
Interest Received	3,656	6,818	(46.4%)
Foreign Exchange Effect	(5,348)	4,475	(219.5%)
CLOSING CASH BALANCE	563,779	648,132	(13.0%)

Key Ratio

HK\$M	2016	2015	2015	Change	
	1H	1H	FY	1H 2016 /1H 2015	1H 2016 /FY2015
Basic EPS (HK cents)	4.1	3.9	6.8	5.8%	(39.4%)
Dividend approved	TBD	78.5	136.9	-	-
Bank balances and cash	563.8	648.1	502.7	(13.0%)	12.1%
A/R turnover days	37 days	40 days	33 days	-3 days	4 days
A/P turnover days	51 days	61 days	56 days	-10 days	-5 days
Inventory turnover days	149 days	147 days	153 days	2 days	-6 days

* Annualized for comparison purposes

Note:

Turnover Days=365 *average (beginning+balance)/1H rev (or COGS)

FY Turnover Days=365 *average (beginning+balance)/FY rev (or COGS)