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**偉祿集團控股有限公司**  
REALORD GROUP HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1196)**

## **ANNOUNCEMENT OF FINAL RESULTS FOR THE NINE MONTHS ENDED 31 DECEMBER 2014**

### **RESULTS**

Effective from 2014, Realord Group Holdings Limited (the “Company”) changed its financial year end date to 31 December. This change has resulted in a shorter reporting period to nine months (April – December 2014).

The directors of the Company are pleased to present the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 31 December 2014 together with the comparative figures for the year ended 31 March 2014 as follows:

### **CONSOLIDATED INCOME STATEMENT**

*For the nine months ended 31 December 2014*

		<b>Nine months ended 31 December 2014 HK\$'000</b>	<b>Year ended 31 March 2014 HK\$'000 (Represented)</b>
	<i>Notes</i>		
<b>Continuing operations</b>			
<b>Revenue</b>	4	<b>89,184</b>	80,076
Cost of sales		<b>(46,079)</b>	(27,378)
<b>Gross profit</b>		<b>43,105</b>	52,698
Other operating income	5	<b>17,722</b>	14,906
Selling and distribution costs		<b>(2,127)</b>	(2,106)
Administrative expenses		<b>(54,998)</b>	(54,889)
Other operating expenses	6	<b>(416)</b>	(17,179)
Finance costs	8	<b>(101)</b>	(177)
<b>Profit/(Loss) before income tax</b>	7	<b>3,185</b>	(6,747)
Income tax expense	9	<b>(6,258)</b>	(5,285)
<b>Loss for the period/year from continuing operations</b>		<b>(3,073)</b>	(12,032)

# **CONSOLIDATED INCOME STATEMENT (Continued)**

*For the nine months ended 31 December 2014*

		Nine months ended 31 December 2014 <i>HK\$'000</i>	Year ended 31 March 2014 <i>HK\$'000</i> (Represented)
	<i>Notes</i>		
<b>Discontinued operations</b>			
Loss for the period/year from discontinued operations	10	(3,743)	(412)
<b>Loss for the period/year</b>		<b>(6,816)</b>	<b>(12,444)</b>
<b>(Loss)/Profit attributable to:</b>			
Equity holders of the Company			
Loss for the period/year from continuing operations		(3,529)	(12,032)
Loss for the period/year from discontinued operations		(3,743)	(412)
Loss for the period/year attributable to equity holders of the Company		(7,272)	(12,444)
Non-controlling interest			
Profit for the period from continuing operations		456	–
Profit for the period attributable to non-controlling interest		456	–
<b>Loss for the period/year</b>		<b>(6,816)</b>	<b>(12,444)</b>
<b>Loss per share from continuing and discontinued operations</b>	12		
– Basic and diluted		(HK1.02 cents)	(HK1.84 cents)
<b>Loss per share from continuing operations</b>	12		
– Basic and diluted		(HK0.50 cents)	(HK1.78 cents)

Details of dividends attributable to the equity holders of the Company for the period/year are set out in note 11.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 31 December 2014

	Nine months ended 31 December 2014 <i>HK\$'000</i>	Year ended 31 March 2014 <i>HK\$'000</i>
<i>Note</i>		
<b>Loss for the period/year</b>	<b>(6,816)</b>	<b>(12,444)</b>
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference released upon disposal of subsidiaries	<b>68</b>	—
Exchange loss on translation of financial statements of foreign operations	<b>(60)</b>	<b>(36)</b>
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Revaluation surplus on leasehold land and buildings	<b>1,022</b>	12,548
Deferred tax charge arising from revaluation surplus on leasehold land and buildings	<b>(224)</b>	<b>(2,337)</b>
Impairment loss on leasehold land and buildings	—	<b>(29,228)</b>
Deferred tax credit arising from impairment loss on leasehold land and buildings	—	7,307
<b>Other comprehensive income for the period/year, net of tax</b>	<b>806</b>	<b>(11,746)</b>
<b>Total comprehensive income for the period/year</b>	<b>(6,010)</b>	<b>(24,190)</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	<b>(6,466)</b>	<b>(24,190)</b>
Non-controlling interest	<b>456</b>	—
	<b>(6,010)</b>	<b>(24,190)</b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2014*

		<b>As at 31 December 2014</b>	<b>As at 31 March 2014</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>9,820</b>	140,761
Prepaid lease payments		<b>–</b>	2,644
Investment properties		<b>135,730</b>	123,040
Other asset		<b>–</b>	1,100
Available-for-sale financial assets		<b>7,344</b>	–
Deferred tax assets		<b>137</b>	590
		<hr/>	<hr/>
		<b>153,031</b>	268,135
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		<b>3,602</b>	26,504
Trade receivables	13	<b>31,934</b>	98,395
Prepayments, deposits and other receivables	14	<b>14,216</b>	40,157
Financial assets at fair value through profit or loss	15	<b>–</b>	78,251
Cash and cash equivalents		<b>281,488</b>	135,307
Tax recoverable		<b>594</b>	397
		<hr/>	<hr/>
		<b>331,834</b>	379,011
		<hr/>	<hr/>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**

*As at 31 December 2014*

		<b>As at 31 December 2014 HK\$'000</b>	<b>As at 31 March 2014 HK\$'000</b>
	<i>Notes</i>		
<b>Current liabilities</b>			
Trade payables	16	<b>5,192</b>	59,275
Accrued liabilities and other payables		<b>14,153</b>	43,749
Financial liabilities of fair value through profit or loss	15	<b>–</b>	1,622
Interest-bearing borrowings		<b>100,000</b>	13,618
Tax payable		<b>1,117</b>	8,108
		<b>120,462</b>	126,372
<b>Net current assets</b>		<b>211,372</b>	252,639
<b>Total assets less current liabilities</b>		<b>364,403</b>	520,774
<b>Non-current liabilities</b>			
Deferred tax liabilities		<b>32,939</b>	34,980
<b>Net assets</b>		<b>331,464</b>	485,794
<b>EQUITY</b>			
<b>Equity attributable to the equity holders of the Company</b>			
Share capital		<b>79,419</b>	63,535
Reserves		<b>239,589</b>	422,259
		<b>319,008</b>	485,794
Non-controlling interest		<b>12,456</b>	–
<b>Total equity</b>		<b>331,464</b>	485,794

*Notes:*

**1. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

**2. ADOPTION OF NEW OR AMENDED HKFRSs**

**(a) Adoption of new or amended HKFRSs effective on or after 1 April 2014**

In the current period, the Group has applied, for the first time, the following new or amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group’s financial statements for the annual period beginning on or after 1 April 2014.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
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*Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities*

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement. The amendments are applied retrospectively.

The adoption of the amendments has no impact on these financial statements as the Group does not have any offsetting arrangements.

## 2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

### (b) New or amended HKFRSs that have been issued but not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Disclosure Initiative <sup>3</sup>
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations <sup>3</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>3</sup>
HKFRS 9 (2014)	Financial Instruments <sup>5</sup>
HKFRS 15	Revenue from Contract with Customers <sup>4</sup>
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle <sup>2</sup>
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle <sup>1</sup>
HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>2</sup> Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2018

#### *Amendments to HKFRS 11 – Accounting for Acquisitions of Interests in Joint Operations*

The amendments require an entity to apply all of the principles of HKFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined in that standard. The principles of HKFRS 3 are also applied upon the formation of a joint operation if an existing business as defined in that standard is contributed by at least one of the parties.

#### *Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

## 2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

### (b) New or amended HKFRSs that have been issued but not yet effective (Continued)

#### *HKFRS 9 (2014) – Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognized in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

#### *HKFRS 15 – Revenue from Contracts with Customers*

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.



## **2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)**

### **(b) New or amended HKFRSs that have been issued but not yet effective (Continued)**

#### *Annual Improvements 2010-2012 Cycle, 2011-2013 Cycle and 2012-2014 Cycle*

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. They include amendments to HKAS 16 *Property, Plant and Equipment* to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The Group is in the process of making an assessment of the impact of these new or amended HKFRSs upon initial application but is not yet in a position to state whether these new or amended HKFRSs would have a significant impact on the Group's results or financial position.

### **(c) New Hong Kong Companies Ordinance provisions relating to the preparation of financial statements**

The provisions of the new Hong Kong Companies Ordinance, Cap. 622, in relation to the preparation of financial statements will apply to the Company in its first financial year beginning on or after 3 March 2014 (i.e. the financial year ending 31 December 2015).

The directors consider that there will be no impact on the Group's financial position or performance, however the new Hong Kong Companies Ordinance, Cap. 622, would have impacts on the presentation and disclosures in the consolidated financial statements. The statement of financial position of the Company will be presented in the notes rather than a separate statement and the related notes need not be included, while generally the statutory disclosures will be simplified.

### 3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business lines.

The Group has identified the following reportable segments from its continuing operations:

- (a) the commercial printing segment provides financial printing, digital printing and other related services ("Commercial Printing Segment");
- (b) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags segment produces hangtags, labels, shirt paper boards and plastic bags products for sale principally to manufacturers of consumer products ("Hangtag Segment"); and
- (c) distribution and sales of motor vehicle parts ("Motor Vehicle Parts Segment").

Each of these operating segments is managed separately as each of the business lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The executive directors assess segment reporting as those used in its HKFRS financial statements, except that certain items are not included in arriving at the operating results of the operating segments (expenses relating to finance costs, income tax and corporate income and expenses).

Segment assets include all assets with the exception of corporate assets, including investment properties, available-for-sale financial assets, bank balances and cash, tax recoverable and deferred tax assets which are not directly attributable to the business activities of operating segments as these assets are managed on a group basis.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. Segment liabilities comprise trade payables, accrued liabilities and other payables.

No asymmetrical allocations have been applied to reportable segments.

#### 3.1 Business operating segments

The executive directors have identified the Group's three product and service lines as operating segments described above.

As described in more detail in note 10, the Group discontinued two reportable and operating segments regarding the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books (the "Packaging Segment") and the food and beverage segment (the "Food and Beverage Segment") during the period. Accordingly, the segment information below does not include any amounts for the discontinued operations, details of which are set out in note 10.

### 3. SEGMENT INFORMATION (Continued)

#### 3.1 Business operating segments (Continued)

Information regarding the Group's reportable operating segments from continuing operations as provided to the Group's executive directions is set out below:

	Commercial Printing Segment		Hangtag Segment		Motor Vehicle Parts Segment		Eliminations		Total	
	Nine months ended	Year ended	Nine months ended	Year ended	Nine months ended	Year ended	Nine months ended	Year ended	Nine months ended	Year ended
	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Represented)		(Represented)		(Represented)		(Represented)		(Represented)	
Reportable segment revenue:										
Sales to external customers	52,066	65,425	13,263	14,651	23,855	-	-	-	89,184	80,076
Intersegment sales	384	183	820	1,015	-	-	(1,204)	(1,198)	-	-
Total	<u>52,450</u>	<u>65,608</u>	<u>14,083</u>	<u>15,666</u>	<u>23,855</u>	<u>-</u>	<u>(1,204)</u>	<u>(1,198)</u>	<u>89,184</u>	<u>80,076</u>
Reportable segment results	<u>1,128</u>	<u>2,642</u>	<u>(133)</u>	<u>606</u>	<u>1,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,359</u>	<u>3,248</u>
Unallocated income/(expenses):										
Interest income									685	2,633
Rental income on investment properties									3,300	3,936
Impairment loss on loan receivable									-	(17,179)
Revaluation surplus on investment properties									12,690	7,713
Corporate expenses									<u>(15,748)</u>	<u>(6,921)</u>
Profit/(Loss) from operations									3,286	(6,570)
Finance costs									<u>(101)</u>	<u>(177)</u>
Profit/(Loss) before income tax									3,185	(6,747)
Income tax expense									<u>(6,258)</u>	<u>(5,285)</u>
Loss for the period/year									<u>(3,073)</u>	<u>(12,032)</u>

### 3. SEGMENT INFORMATION (Continued)

#### 3.1 Business operating segments (Continued)

	Commercial Printing Segment		Hangtag Segment		Motor Vehicle Parts Segment		Total	
	31 December 2014 HK\$'000	31 March 2014 HK\$'000 (Represented)	31 December 2014 HK\$'000	31 March 2014 HK\$'000 (Represented)	31 December 2014 HK\$'000	31 March 2014 HK\$'000 (Represented)	31 December 2014 HK\$'000	31 March 2014 HK\$'000 (Represented)
Reportable segment assets:	<u>17,193</u>	<u>16,139</u>	<u>4,146</u>	<u>4,453</u>	<u>25,933</u>	<u>–</u>	<u>47,272</u>	<u>20,592</u>
Unallocated assets:								
Investment properties							135,730	123,040
Available-for-sale financial assets							7,344	–
Loan receivables							–	24,500
Cash and cash equivalents							281,488	5,124
Deferred tax assets							137	197
Tax recoverable							594	–
Unallocated corporate assets							<u>12,300</u>	<u>381</u>
Total assets from continuing operations							<u>484,865</u>	<u>173,834</u>
Assets from discontinued operations							<u>–</u>	<u>473,312</u>
Total consolidated assets							<u><u>484,865</u></u>	<u><u>647,146</u></u>
Reportable segment liabilities:	<u>12,040</u>	<u>15,527</u>	<u>2,401</u>	<u>2,380</u>	<u>41</u>	<u>–</u>	<u>14,482</u>	<u>17,907</u>
Unallocated liabilities:								
Interest bearing borrowings							100,000	10,418
Deferred tax liabilities							32,939	27,124
Tax payable							1,117	788
Unallocated corporate liabilities							<u>4,863</u>	<u>–</u>
Total liabilities from continuing operations							<u>153,401</u>	<u>56,237</u>
Liabilities from discontinued operations							<u>–</u>	<u>105,115</u>
Total consolidated liabilities							<u><u>153,401</u></u>	<u><u>161,352</u></u>
Other segment information:								
Depreciation on property, plant and equipment	320	419	316	398	–	–	636	817
Loss/(Gain) on disposal of property, plant and equipment	72	–	–	(29)	–	–	72	(29)
Allowance for impairment on trade receivables	190	–	–	–	–	–	190	–
Bad debts expenses	154	–	–	–	–	–	154	–
Capital expenditure	<u>668</u>	<u>361</u>	<u>464</u>	<u>414</u>	<u>26</u>	<u>–</u>	<u>1,158</u>	<u>775</u>

### 3. SEGMENT INFORMATION (Continued)

#### 3.2 Geographical information

The Group's revenues from, external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas.

	Hong Kong (domicile)		PRC except Hong Kong		Other countries		Total	
	Nine months ended	Year ended	Nine months ended	Year ended	Nine months ended	Year ended	Nine months ended	Year ended
	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Represented)		(Represented)		(Represented)		(Represented)	
Reportable segment revenue:								
Sales to external customers	<u>80,022</u>	<u>74,604</u>	<u>7,086</u>	<u>2,090</u>	<u>2,076</u>	<u>3,382</u>	<u>89,184</u>	<u>80,076</u>
	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014	31 December 2014	31 March 2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Represented)		(Represented)		(Represented)		(Represented)	
Non-current assets	<u>60,896</u>	<u>43,406</u>	<u>91,998</u>	<u>82,232</u>	<u>-</u>	<u>-</u>	<u>152,894</u>	<u>125,638</u>

The geographical location of customers is based on the location at which the customers operate. The geographical location of the non-current assets is based on the physical location of the asset.

#### 3.3 Information about major customers

Revenue from major customer who has individually contributed to 10% or more of the total revenue of the Group is disclosed as follows:

	Nine months ended	Year ended
	31 December 2014	31 March 2014
	HK\$'000	HK\$'000
Customer A	<u>17,100</u>	<u>-</u>

The customer is included in the Motor Vehicle Parts Segment.

#### 4. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered arising from the principal activities of the Group during the period/year after eliminations of all significant intra-group transactions.

	<b>Group</b>	
	<b>Nine months ended 31 December 2014 HK\$'000</b>	<b>Year ended 31 March 2014 HK\$'000 (Represented)</b>
<b>Continuing operations</b>		
Sales of goods	37,118	14,651
Rendering of services	52,066	65,425
	<u>89,184</u>	<u>80,076</u>

#### 5. OTHER OPERATING INCOME

	<b>Group</b>	
	<b>Nine months ended 31 December 2014 HK\$'000</b>	<b>Year ended 31 March 2014 HK\$'000 (Represented)</b>
<b>Continuing operations</b>		
Interest income	685	2,633
Rental income on investment properties	3,300	3,936
Revaluation surplus on investment properties	12,690	7,713
Gain on disposal of property, plant and equipment	–	29
Sundry income	1,047	595
	<u>17,722</u>	<u>14,906</u>

## 6. OTHER OPERATING EXPENSES

	<b>Group</b>	
	<b>Nine months ended 31 December 2014 HK\$'000</b>	<b>Year ended 31 March 2014 HK\$'000 (Represented)</b>
<b>Continuing operations</b>		
Allowance for impairment on trade receivables ( <i>note 13</i> )	190	–
Bad debts expenses	154	–
Impairment loss on loan receivable ( <i>note 14</i> )	–	17,179
Loss on disposal of property, plant and equipment	72	–
	<u>416</u>	<u>17,179</u>

## 7. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging/(crediting):

	<b>Group</b>	
	<b>Nine months ended 31 December 2014 HK\$'000</b>	<b>Year ended 31 March 2014 HK\$'000 (Represented)</b>
<b>Continuing operations</b>		
Auditor's remuneration	1,317	972
Cost of inventories sold	30,474	7,803
Cost of services rendered	15,605	19,575
Depreciation of property, plant and equipment <sup>(a)</sup>	884	861
Exchange loss/(gain), net	281	(36)
Loss/(Gain) on disposal of property, plant and equipment <sup>(e)</sup>	72	(29)
Impairment loss on loan receivable <sup>(e)</sup> ( <i>note 14</i> )	–	17,179
Gross rental income on investment properties	(3,300)	(3,936)
Less: Direct operating expenses arising from investment properties that		
– generated rental income during the period/year	46	48
– did not generate rental income during the period/year	131	151
Net rental income on investment properties	<u>(3,123)</u>	<u>(3,737)</u>
Operating lease charges on land and buildings <sup>(b)</sup>	11,796	9,156
Allowance for impairment on trade receivables ( <i>note 13</i> ) <sup>(e)</sup>	190	–
Bad debts expenses <sup>(e)</sup>	154	–
Revaluation surplus on investment properties <sup>(e)</sup>	(12,690)	(7,713)
Staff costs (excluding directors' remuneration)		
Wages and salaries <sup>(c)</sup>	26,474	27,647
Pension scheme contributions <sup>(d)</sup>	1,388	2,067

**7. PROFIT/(LOSS) BEFORE INCOME TAX (Continued)**

- (a) Depreciation on property, plant and equipment of HK\$236,000 (year ended 31 March 2014: HK\$252,000) has been expensed in cost of sales and HK\$648,000 (year ended 31 March 2014: HK\$609,000) in administrative expenses.
- (b) Operating lease charges on land and buildings of HK\$221,000 (year ended 31 March 2014: Nil) has been expensed in cost of sales and HK\$11,575,000 (year ended 31 March 2014: HK\$9,156,000) in administrative expenses.
- (c) Wages and salaries of HK\$1,445,000 (year ended 31 March 2014: HK\$2,361,000) has been expensed in cost of sales and HK\$25,029,000 (year ended 31 March 2014: HK\$25,286,000) in administrative expenses.
- (d) Pension scheme contributions of HK\$70,000 (year ended 31 March 2014: HK\$116,000) has been expensed in cost of sales and HK\$1,318,000 (year ended 31 March 2014: HK\$1,951,000) in administrative expenses.
- (e) Included in other operating (income)/expenses.

**8. FINANCE COSTS**

	<b>Group</b>	
	<b>Nine months ended 31 December 2014 HK\$'000</b>	<b>Year ended 31 March 2014 HK\$'000</b>
		(Represented)
<b>Continuing operations</b>		
Interest charges on overdrafts, bank and other borrowings		
– wholly repayable within five years	<b>101</b>	–
– not wholly repayable within five years	<b>–</b>	177
	<hr/>	<hr/>
	<b>101</b>	177
	<hr/>	<hr/>



## 9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (year ended 31 March 2014: 16.5%) on the estimated assessable profits for the nine months ended 31 December 2014. Taxation on overseas profits has been calculated on the estimated assessable profits for the nine months ended 31 December 2014 at the rates of taxation prevailing in the countries in which the Group operates.

PRC Enterprise Income Tax has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (year ended 31 March 2014: 25%).

Land appreciation tax is estimated according to the requirements in relevant PRC tax laws and regulations. Land appreciation tax has been provided at ranges of progressive rates of the appreciation value.

Deferred tax is accounted for using the balance sheet liabilities method at a rate of 16.5% (year ended 31 March 2014: 16.5%) in Hong Kong or the tax rates prevailing in the countries in which the Group operates.

	<b>Group</b>	
	<b>Nine months ended 31 December 2014 HK\$'000</b>	<b>Year ended 31 March 2014 HK\$'000 (Represented)</b>
<b>Continuing operations</b>		
Current tax – Hong Kong		
Tax expense for the period/year	<b>409</b>	1,008
Over provision in respect of prior years	<b>(34)</b>	(42)
	<b>375</b>	966
Current tax – overseas		
Tax expense for the period/year	<b>8</b>	226
Deferred tax		
Tax expense for the period/year	<b>5,875</b>	4,093
Income tax expense	<b>6,258</b>	5,285

## 9. INCOME TAX EXPENSE (Continued)

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates is as follows:

	<b>Group</b>	
	<b>Nine months ended 31 December 2014 HK\$'000</b>	<b>Year ended 31 March 2014 HK\$'000 (Represented)</b>
<b>Continuing operations</b>		
Profit/(Loss) before income tax	<b>3,185</b>	<b>(6,747)</b>
Tax on profit/(loss) before income tax, calculated at the rates applicable to profit/(loss) in the tax jurisdiction concerned	<b>1,420</b>	<b>(442)</b>
Tax effect on non-deductible expenses	<b>3,245</b>	<b>3,146</b>
Tax effect on non-taxable revenue	<b>(4,521)</b>	<b>(494)</b>
Tax effect of utilisation of tax losses not previously recognised	<b>–</b>	<b>(2)</b>
Tax effect on tax loss not recognised	<b>1,871</b>	<b>207</b>
Land appreciation tax on investment properties	<b>5,703</b>	<b>3,883</b>
Tax effect of land appreciation tax	<b>(1,426)</b>	<b>(971)</b>
Over provision in prior years	<b>(34)</b>	<b>(42)</b>
Income tax expense	<b>6,258</b>	<b>5,285</b>

## 10. DISCONTINUED OPERATIONS

On 27 February 2014, the Company and Harmony Link Corporation (“Harmony Link”) entered into a sale and purchase agreement (the “Asset Reorganisation Agreement”) pursuant to which the Company conditionally agreed to sell and Harmony Link conditionally agreed to purchase the entire issued share capital of the Brilliant Stage Holdings Limited (“Brilliant Stage”) together with its subsidiaries (collectively referred to as “Brilliant Stage Group”) for a cash consideration of HK\$180,000,000. Brilliant Stage Group is principally engaged in manufacturing and sale of paper cartons, packaging boxes and printing of children’s novelty books and food and beverage business which are classified as discontinued operations of the Group as a result of the disposal. Details of the transaction are set out in the Company’s circular dated 26 May 2014. The disposal was completed on 20 June 2014. The carrying amounts of assets and liabilities of Brilliant Stage Group at the date of disposal are disclosed in note 17.

	Nine months ended 31 December 2014 HK\$’000	Year ended 31 March 2014 HK\$’000 (Represented)
Loss of discontinued operations for the period/year	(2,516)	(412)
Loss on disposal of discontinued operations ( <i>note 17</i> )	(1,227)	–
	<u>(3,743)</u>	<u>(412)</u>
<b>Revenue</b>	<b>118,232</b>	444,418
Cost of sales	(105,567)	(365,756)
<b>Gross profit</b>	<b>12,665</b>	78,662
Other operating income	2,805	10,095
Selling and distribution costs	(2,427)	(10,344)
Administrative expenses	(13,441)	(57,745)
Other operating expenses	(310)	(23,575)
	<u>(708)</u>	(2,907)
Finance costs	(22)	(396)
<b>Loss before income tax</b>	<b>(730)</b>	(3,303)
Income tax (expense)/credit	(1,786)	2,891
Loss for the period/year from discontinued operations	<u>(2,516)</u>	<u>(412)</u>
Operating cash flows	73,532	69,147
Investing cash flows	(190,858)	(8,604)
Financing cash flows	10,000	(27,829)
<b>Total cash flows</b>	<u>(107,326)</u>	<u>32,714</u>

For the purpose of presenting the above discontinued operations, the comparative consolidated statement of comprehensive income has been represented as if the operations discontinued during the period had been discontinued at the beginning of the comparative period.

## 11. DIVIDENDS

### (a) Dividends attributable to the period/year

	Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000
Special dividend of HK\$0.50 (year ended 31 March 2014: Nil) per ordinary share	<u>317,677</u>	<u>—</u>

The directors do not recommend the payment of final dividend for the nine months ended 31 December 2014 (year ended 31 March 2014: Nil).

### (b) Dividends attributable previous financial year, approved and paid during the period/year

	Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000
Final dividend in respect of the previous financial year of HK2 cents per ordinary share	<u>—</u>	<u>12,707</u>

## 12. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company is based on the following data:

	Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000 (Represented)
<b>Continuing and discontinued operations</b>		
Loss for the purposes of calculating basic loss per share	<u>(7,272)</u>	<u>(12,444)</u>
	Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000 (Restated)
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>710,525</u>	<u>677,399</u>

## 12. LOSS PER SHARE (Continued)

The weighted average number of ordinary shares for the purpose of basic loss per share is adjusted to reflect the right issue during the period as if the event had occurred at the beginning of the earlier period reported.

There are no dilutive potential shares in both period/year.

	Nine months ended 31 December 2014 HK\$'000	Year ended 31 March 2014 HK\$'000 (Represented)
<b>Continuing operations</b>		
Loss for the purposes of calculating basic loss per share:	(7,272)	(12,444)
Less: Loss for the period/year from discontinued operations	<u>(3,743)</u>	<u>(412)</u>
Loss for the purposes of calculating basic loss per share from continuing operations	<u><b>(3,529)</b></u>	<u><b>(12,032)</b></u>

The number of shares used is the same as above for basic loss per share.

### Discontinued operations

Basic loss per share for the discontinued operations is HK0.52 cents per share (year ended 31 March 2014: loss per share for the discontinued operations is HK0.06 cents per share) for the discontinued operations, based on the loss for the period from the discontinued operations of HK\$3,743,000 (year ended 31 March 2014: loss for the year from the discontinued operations of HK\$412,000) and the number of shares above for basic loss per share.

The calculation of the basis loss per share for both continuing and discontinued operations has been adjusted to reflect the price adjustment arising from the right issues during the period and as if the event had occurred at the beginning of the prior period.

## 13. TRADE RECEIVABLES

	Group 31 December 2014 HK\$'000	31 March 2014 HK\$'000
Trade receivables	32,533	99,965
Less: Allowance for impairment of receivables	<u>(599)</u>	<u>(1,570)</u>
Trade receivables – net	<u><b>31,934</b></u>	<u><b>98,395</b></u>

Trade receivables generally have credit terms of 30 to 90 days (31 March 2014: 30 to 120 days). The directors of the Group consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

### 13. TRADE RECEIVABLES (Continued)

At 31 December 2014, the aging analysis of the trade receivables, based on invoiced date and net of allowance, is as follows:

	<b>Group</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2014</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current to 30 days	<b>21,770</b>	46,934
31 to 60 days	<b>7,881</b>	20,132
61 days to 90 days	<b>859</b>	18,181
Over 90 days	<b>1,424</b>	13,148
	<b>31,934</b>	98,395

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entities to which they relate:

	<b>Group</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2014</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Euro ("EUR")	–	49
US dollars ("US\$")	–	21,914

The movement in the allowance for impairment of trade receivables is as follows:

	<b>31 December</b>	<b>31 March</b>
	<b>2014</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Carrying amount at beginning of period/year	<b>1,570</b>	1,108
Allowance for impairment loss of prior year written off against trade receivables	–	(110)
Allowance for impairment loss charged to the profit or loss ( <i>note 6</i> )	<b>190</b>	572
Amount released upon disposal of subsidiaries	<b>(1,161)</b>	–
Carrying amount at end of period/year	<b>599</b>	1,570

At each of the reporting date, the Group reviews trade receivables for evidence of impairment on both individual and collective basis. The impaired receivables are recognised based on the credit history of its customers, indication of financial difficulties, default in payments, and current market conditions. Consequently, specific impairment allowance was recognised. The Group does not hold any collateral over these balances.

### 13. TRADE RECEIVABLES (Continued)

As at 31 December 2014, the Group's trade receivables of HK\$599,000 (31 March 2014: HK\$1,570,000) were fully made for allowance for impairment. The impaired receivables mainly relate to customers that were in financial difficulties and management assessed that the entire amount of the receivable balances is unlikely to be recovered.

The aging analysis of trade receivables by past due date that is neither individually nor collectively considered to be impaired are as follows:

	<b>Group</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2014</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Not past due	<b>21,668</b>	70,334
Unimpaired but past due		
Not more than 30 days	<b>7,808</b>	19,779
31 – 60 days	<b>1,035</b>	2,614
61 – 90 days	<b>1,237</b>	2,589
Over 90 days	<b>186</b>	3,079
	<b>31,934</b>	98,395

As at 31 December 2014, trade receivables of HK\$21,668,000 (31 March 2014: HK\$70,334,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that the Group had continuing business relationships with these customers including sales to and settlements from these customers in general, which in the opinion of the directors have no indication of default. Based on past credit history, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

#### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>Group</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2014</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Prepayments	2,438	5,025
Deposits	11,726	7,105
Other receivables	3,510	7,220
Loan receivable	–	24,500
	<hr/>	<hr/>
	17,674	43,850
Less: Allowance for impairment of receivables	(3,458)	(3,693)
	<hr/>	<hr/>
	14,216	40,157
	<hr/> <hr/>	<hr/> <hr/>

Impairment losses in respect of other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against other receivables directly.

The movement in the provision for impairment of other receivables is as follows:

	<b>Group</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2014</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Carrying amount at beginning of period/year	3,693	3,458
Allowance for impairment loss charged to the profit or loss	–	235
Amount released upon disposal of subsidiaries	(235)	–
	<hr/>	<hr/>
Carrying amount at end of period/year	3,458	3,693
	<hr/> <hr/>	<hr/> <hr/>

At each of the reporting dates, the Group's other receivables were individually determined to be impaired. The Group encountered difficulties in collection of certain other receivables and appropriate allowance for impairment has been made against these other receivables. The individually impaired receivables are recognised based on the credit history of these debtors, such as financial difficulties or default in payments, and current market conditions. Consequently, specific allowance for impairment was recognised. The Group does not hold any collateral over these balances. Except for the amount impaired, none of the above assets is either past due or impaired.

For the year ended 31 March 2014, the loan receivable of HK\$40,000,000 generated interest income of approximately HK\$2,700,000 (based on the interest rate of 10% per annum for the period from 26 April 2013 to 31 December 2013), of which approximately HK\$1,000,000 was paid by Fullpower Investment Holdings Corp. ("Fullpower") in July 2013.



#### 14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

As at 31 March 2014, a write off of HK\$17,179,000 (note 6) in respect of the loan receivable and accumulated interest receivable was made as it was determined as irrecoverable due to the subsequent disposal. This resulted in a carrying amount of HK\$24,500,000 as at 31 March 2014.

On 30 April 2014, the board announced that Peace Broad Holdings Limited ("Peace Broad"), a subsidiary of the Group which entitled the loan receivable, and Mr. Lo Ming Chi, Charles ("Mr. Lo") entered into an agreement, pursuant to which Peace Broad agreed to sell and assign, and Mr. Lo agreed to purchase and accept the assignment of, all rights, title, benefits and interests of and in the loan of Fullpower. The disposal of the loan was completed on 30 April 2014 with settlement of HK\$24,500,000 in cash.

#### 15. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

##### *Financial assets*

	<b>Group</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2014</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong listed equity investments	–	3,977
Hong Kong unlisted debt investments	–	53,171
Hong Kong unlisted currency notes	–	91
Overseas listed equity investments	–	506
Overseas unlisted fund investments	–	20,506
	<hr/>	<hr/>
	–	78,251
	<hr/> <hr/>	<hr/> <hr/>

##### *Financial liabilities*

	<b>Group</b>	
	<b>31 December</b>	<b>31 March</b>
	<b>2014</b>	<b>2014</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Hong Kong unlisted currency notes	–	(1,622)
	<hr/> <hr/>	<hr/> <hr/>

The above financial assets/liabilities are classified as held for trading.

Changes in fair values of financial assets/liabilities at fair value through profit or loss are recorded in other operating income or other operating expenses in the profit or loss of the discontinued operations.

## 16. TRADE PAYABLES

	<b>Group</b>	
	<b>31 December</b>	31 March
	<b>2014</b>	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	<b>5,192</b>	59,275
	<b><u>5,192</u></b>	<b><u>59,275</u></b>

At 31 December 2014, the aging analysis of the trade payables, based on invoiced date, is as follows:

	<b>Group</b>	
	<b>31 December</b>	31 March
	<b>2014</b>	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 30 days	<b>1,586</b>	27,383
31 to 60 days	<b>1,750</b>	10,401
61 to 90 days	<b>836</b>	8,403
Over 90 days	<b>1,020</b>	13,088
	<b><u>5,192</u></b>	<b><u>59,275</u></b>

All amounts are short term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of fair value.

## 17. DISPOSAL OF SUBSIDIARIES

As disclosed in note 10, the Company and Harmony Link had entered into the Asset Reorganisation Agreement pursuant to which the Company conditionally agreed to sell and Harmony Link conditionally agreed to purchase the entire equity interest of Brilliant Stage Group. The net assets of Brilliant Stage Group at the date of the disposal were as follows:

	As at 20 June 2014 HK\$'000
<b>Net assets disposed of:</b>	
Property, plant and equipment	139,032
Prepaid lease payments	2,624
Other asset	1,100
Inventories	27,261
Trade receivables	128,485
Prepayments, deposits and other receivables	13,800
Cash and cash equivalents	23,348
Tax recoverable	250
Trade payables	(81,414)
Accrued liabilities and other payables	(42,188)
Financial liabilities at fair value through profit or loss	(1,835)
Interest-bearing borrowings	(13,200)
Tax payables	(8,417)
Deferred tax liabilities	(7,687)
	<hr/>
	181,159
Exchange reserve released on disposal	68
Loss on disposal of subsidiaries included in loss for the period from discontinued operations in the consolidated income statement (note 10)	   <hr/> (1,227)
	<hr/>
Total consideration	180,000
	<hr/> <hr/>
Satisfied by:	
Cash	180,000
	<hr/> <hr/>
Net cash inflow arising on disposal:	
Cash consideration	180,000
Cash and bank balances disposed of	(23,348)
	<hr/>
	156,652
	<hr/> <hr/>

## **18. EVENTS AFTER REPORTING DATE**

- (i) On 16 January 2015, the Company had announced that it was in discussion with several independent third parties regarding possible acquisitions of certain real estate projects in Hong Kong, Australia and the People's Republic of China. It was also in discussion with Manureen Holdings Limited ("Manureen") on a possible private placing of not less than 360,000,000 new shares (the "Subscription Shares") of the Company to Manureen at a subscription price of approximately HK\$1.40 per Subscription Share (the Subscription Price"), raising not less than HK\$500,000,000 new capital for the Company.
- (ii) On 28 January 2015, the Company had announced that it entered into a subscription agreement with Manureen pursuant to which Manureen has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 360,000,000 Subscription Shares at the Subscription Price of HK\$1.40 per Subscription Share (the "Subscription Agreement").

Assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of the announcement up to completion of the Subscription Agreement, the 360,000,000 Subscription Shares represent (i) approximately 45% of the issued share capital of the Company; and (ii) approximately 31% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

At the reporting date, the subscription has been approved by the independent shareholders on the special general meeting held on 30 March 2015. Details of the subscription are set out in the circular dated 12 March 2015.

## **BUSINESS REVIEW AND MANAGEMENT DISCUSSION**

### **General Review**

The Group has changed its financial year-end date from 31 March to 31 December with effective from 2014. This change has resulted in a shorter reporting period to nine months (April to December). In the following paragraph, the terms “current period” and “last corresponding period” refer to the nine months period from April to December. It should be noted that the financial data for the last corresponding period has not been reviewed nor audited by our auditor.

During the current period, the Group recorded a total revenue of approximately HK\$89.2 million, which represented an increase of about 39.4% to that of the last corresponding period of approximately HK\$64.0 million. Gross profit margin of the Group has been decreased to 48.3% for the current period, as compared to 62.9% for the last corresponding period. The Group recorded a loss attributable to equity holders from continuing operation of approximately HK\$3.5 million for the current period as compared with a profit attributable to equity holders of HK\$1.4 million for the last corresponding period.

The increase in revenue was primarily due to the new business segment of sales and distribution of motor vehicle parts established during the period, however, due to trading nature of motor vehicle parts business segment, this new business segment led to overall decrease in gross profit margin. The loss attributable to equity holders from continuing operation was mainly due to the increase in corporate expenses, including increase in legal and professional expenses incurred for the disposal of Brilliant Stage Holdings Limited and increase in rental expenses for the new head office in Hong Kong.

### **Business Operation**

Subsequent to the disposal of business segments of manufacture and sale of paper cartons, packaging boxes and children’s novelty books (“Packaging Segment”) and food and beverage (“Food and Beverage Segment”) of the Group on 20 June 2014, the principal activities of the Group are commercial printing (“Commercial Printing Segment”) and manufacture and sale of hangtags, labels shirt paper boards and plastic bags (“Hangtag Segment”). During the current period, the Group has also set up a company engaged in operations of sales and distribution of motor vehicle parts (“Motor Vehicle Parts Segment”).

The Group’s commercial printing business was remained stable with slight growth in revenue during the current period. The revenue increased by 1.4% to 52.1 million compared to that of the last corresponding period of HK\$51.4 million. The profit from this segment decreased from HK\$4.8 million for the last corresponding period to approximately HK\$1.1 million for the current period resulting from increase in staff cost and cost incurred in removal of office during the current period.

The Group's revenue from the Hangtag Segment increased by 5.6% to approximately HK\$13.3 million for the current period under review as compared to that of the last corresponding period of HK\$12.6 million. The increase in revenue was mainly due to increase in orders from both existing and new customers. As a result, the Group recorded a decrease in loss to HK\$0.1 million for the current period compared to a loss of HK\$0.7 million for last corresponding period.

The Motor Vehicle Parts Segment commenced operations in October 2014 and generated revenue of approximately HK\$23.9 million for the current period. Due to the trading nature of sales and distribution of motor vehicle parts, the Motor Vehicle Parts Segment contributed a relatively low gross profit margin to the Group as compared to other business segments of the Group. The profit from this segment for the current period amount to approximately HK\$1.4 million.

For the current period, the Group had disposed of Brilliant Stage Holdings Limited which includes Packaging Segment and Food and Beverage Segment. Therefore, the Group recorded a loss from discontinued operation of approximately HK\$3.7 million, which was arising from the operating loss of approximately HK\$2.5 million and the loss on disposal of Brilliant Stage Holdings Limited of approximately HK\$1.2 million, as compared with the operating profit of approximately HK\$21.9 million from discontinued operations for the last corresponding period.

## **FINANCIAL REVIEW**

### **Liquidity and Financial Resources**

The Group generally finances its operations with internally generated cash flow and banking facilities. The Group is financially sound with healthy cash position. Its cash and bank balances and short term bank deposits as at 31 December 2014 amounted to approximately HK\$281.5 (31 March 2014: 135.3 million). Its gearing ratio as at 31 December 2014 was 30.2% (31 March 2014: 2.8%), based on the interest-bearing bank borrowings of approximately HK\$100.0 million (31 March 2014: HK\$13.6 million) and total equity of the Group of HK\$331.5 million (31 March 2014: HK\$485.8 million). The directors consider that the Group's cash holding, liquid assets, future revenue and available facilities will be sufficient to fulfill the present working capital requirements of the Group.

### **Exchange Rate Exposure**

Subsequent to the disposal of Brilliant Stage Holdings Limited, most of the operating transactions of the Group were denominated in Hong Kong dollars and US dollars. For the nine months ended 31 December 2014, the Group was not exposed to any material exchange risk as the exchange rate of Hong Kong dollars and US dollars was relatively stable under the current peg system.

### **Financial Guarantees and Charges on Assets**

As at 31 December 2014, general banking facilities were granted to one of the wholly owned subsidiary of the Group, which were secured by legal charges on certain deposits hold by the Group with a total net book value of approximately HK\$105.5 million.

As at 31 March 2014, corporate guarantees amounting to approximately HK\$328.3 million were given to banks by the Company for the provision of general banking facilities granted to its subsidiaries, which were secured by legal charges on certain properties owned by the Group with a total net book value of approximately HK\$64.8 million.

### **Prospects**

Looking forward, the Group will keep on developing the business of Commercial Printing segment, Hangtags segment and the newly established Motor Vehicle Parts segment. Though the operating environment of the Commercial Printing segment and Hangtags segment are competitive, the Group will continuously strengthen its business development team to widen its customer base.

In order to diversify from its existing businesses and to participate in the securities trading industry, the Company has announced on 12 November 2014 that the Group has entered into a sale and purchase agreement with Madam Su Jiaohua (executive director of the Company) to acquire the entire equity interest in Manureen Securities Limited. The principal activity of Manureen Securities Limited is the provision of securities broking services.

On 28 January 2015, the Company and Manureen Holdings Limited entered into the subscription agreement pursuant to which Manureen Holdings Limited has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 360 million shares at HK\$1.4 per share.

The subscription has been approved by the independent shareholders on the special general meeting held on 30 March 2015. With the new capital of approximately HK\$503 million to the Company, the Group has built up its war chest for future investment. In order to broaden the Group's business portfolio as well as its income stream and increase the shareholders' value, the Group has been actively exploring other investment opportunities. With the extensive experience of Mr. Lin Xiaohui and Madam Su Jiaohua, both executive directors, in real estate investment, the Directors consider that the possible acquisition of the real estate projects would provide prime opportunities for the Group to achieve such goals.

For the purpose of sustaining long term growth, the directors will keep on exploring all potential opportunities to develop its businesses.

## **DIVIDENDS**

The Directors did not recommended the payment of final dividend (31 March 2014: Nil) for the nine months period ended 31 December 2014. No interim dividend (30 September 2014: Nil) have been recommended for the period. Special dividend of HK\$0.5 per share (31 March 2014: Nil) have been approved in the special general meeting held on 11 June 2014 and paid during the period. Total dividend for the period is HK\$0.5 per share (31 March 2014: Nil).

## **CLOSURE OF REGISTER OF MEMBERS**

The Annual General Meeting of the Company is scheduled on Wednesday, 13 May 2015. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 11 May 2015 to Wednesday, 13 May 2015, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 8 May 2015.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2014.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS**

The audit committee has reviewed with the management about the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters in connection with the preparation of the audited consolidated financial statements of the Company for the nine months ended 31



December 2014. This preliminary announcement of the Group's results for the nine months ended 31 December 2014 has been agreed with the Company's external auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the nine months period ended 31 December 2014.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining high standards of corporate governance practices. In the opinion of the directors, the Company has complied all code provisions in the Code on Corporate Governance Practices (the "Code") set out in Appendix 14 of the Listing Rules for the nine months ended 31 December 2014.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding directors' securities transactions on terms set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all directors of the Company, they have confirmed compliance with the required standard set out in the Model Code during the nine months ended 31 December 2014.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Company's website (<http://www.realord.com.hk>) and the Stock Exchange's website (<http://www.hkexnews.hk>). The annual report containing all the information required by the Listing Rules will be dispatched to the shareholders and available on the same websites in due course.

By Order of the Board  
**Lin Xiaohui**  
*Chairman*

Hong Kong, 30 March 2015

*As at the date of this announcement, the executive directors of the Company are Mr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong; and the independent non-executive directors of the Company are Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue.*