KIN YAT HOLDINGS LIMITED
建溢集團有限公司

website: http://www.kinyat.com.hk

(Incorporated in Bermuda with limited liability)

(Stock Code: 638)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015

The Board of Directors (the "Board") of Kin Yat Holdings Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 March 2015, together with the comparative figures for the previous corresponding year and the relevant explanatory notes, as set out below:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2015

	Notes	**2015** **HK$'000**	2014 *HK$'000*
REVENUE	3	**2,169,285**	1,852,238
Cost of sales		**(1,901,199)**	(1,618,651)
Gross profit		**268,086**	233,587
Other income and gains, net	3	**16,481**	28,904
Selling and distribution expenses		**(43,809)**	(41,319)
Administrative expenses		**(150,087)**	(147,103)
Other expenses		**(205,291)**	(25,504)
Finance costs		**(498)**	(4,925)
PROFIT/(LOSS) BEFORE TAX	4	**(115,118)**	43,640
Income tax expense	5	**(33,848)**	(28,519)
PROFIT/(LOSS) FOR THE YEAR		**(148,966)**	15,121
ATTRIBUTABLE TO:			
Owners of the Company		**(121,583)**	19,818
Non-controlling interests		**(27,383)**	(4,697)
		(148,966)	15,121
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	7		
Basic		**HK(29.03) cents**	HK4.73 cents
Diluted		**HK(29.03) cents**	HK4.73 cents

Details of the dividends paid and proposed for the year are disclosed in note 6.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2015

	2015	2014
	HK$'000	*HK$'000*
PROFIT/(LOSS) FOR THE YEAR	**(148,966)**	15,121
OTHER COMPREHENSIVE INCOME/(EXPENSE):		
Other comprehensive income/(expense) to be reclassified to the income statement in subsequent periods:		
Exchange differences on translation of foreign operations	**(5,013)**	35,407
Net other comprehensive income/(expense) to be reclassified to the income statement in subsequent periods	**(5,013)**	35,407
Other comprehensive income/(expense) not to be reclassified to the income statement in subsequent periods:		
Revaluation surplus, net	**9,103**	35,035
Deferred tax debited to asset revaluation reserve	**(1,664)**	(6,984)
Deferred tax credited to asset revaluation reserve upon disposal of items of property, plant and equipment	**200**	–
Net other comprehensive income not to be reclassified to the income statement in subsequent periods	**7,639**	28,051
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**2,626**	63,458
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	**(146,340)**	78,579
ATTRIBUTABLE TO:		
Owners of the Company	**(118,956)**	83,614
Non-controlling interests	**(27,384)**	(5,035)
	(146,340)	78,579

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**790,132**	819,106
Investment properties		**80,153**	5,013
Prepaid land lease payments		**28,564**	29,070
Properties under development		**37,326**	–
Goodwill		**4,650**	4,650
Intangible assets		**2,611**	31,041
Deferred tax assets		**32,899**	11,184
Deposits	*9*	**32,565**	172,272
Total non-current assets		**1,008,900**	1,072,336
CURRENT ASSETS			
Properties under development		**133,579**	–
Inventories		**289,674**	356,773
Accounts receivable	*8*	**207,359**	170,794
Prepayments, deposits and other receivables	*9*	**28,921**	89,580
Financial assets at fair value through profit or loss		**3,410**	9,840
Time deposits		**18,953**	84,615
Cash and bank balances		**151,762**	173,797
Total current assets		**833,658**	885,399
CURRENT LIABILITIES			
Accounts and bills payables, accrued liabilities and other payables	*10*	**448,233**	420,482
Interest-bearing bank borrowings		**146,176**	188,380
Due to non-controlling shareholders		**38,838**	38,838
Tax payable		**93,654**	63,731
Total current liabilities		**726,901**	711,431
NET CURRENT ASSETS		**106,757**	173,968
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,115,657**	1,246,304
NON-CURRENT LIABILITIES			
Other payables	*10*	**131,165**	44,304
Interest-bearing bank borrowings		**–**	60,000
Deferred tax liabilities		**28,731**	27,337
Total non-current liabilities		**159,896**	131,641
NET ASSETS		**955,761**	1,114,663
EQUITY			
Equity attributable to owners of the Company			
Share capital		**41,875**	41,875
Reserves		**972,181**	1,103,699
		1,014,056	1,145,574
Non-controlling interests		**(58,295)**	(30,911)
TOTAL EQUITY		**955,761**	1,114,663

NOTES:

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, which because the Company has not early adopted the revised Listing Rules issued by the Hong Kong Stock Exchange, are those of the predecessor Hong Kong Companies Ordinance (Cap.32). They have been prepared under the historical cost convention, except for land and buildings, investment properties and financial assets at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010–2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010–2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010–2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual Improvements 2011–2013 Cycle*	*Meaning of Effective HKFRSs*

[1] Effective from 1 July 2014

The adoption of the above revised standards and new interpretation has had no significant financial effect on these financial statements.

2. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) the electrical and electronic products segment consists of the manufacture and sale of electrical appliances, electronic toys and related products;

(b) the motors segment consists of the manufacture and sale of motors;

(c) the resources development segment consists of the manufacture and sale of materials primarily for use in panel display, the exploration, processing and sale of mineral products;

(d) real estate development; and

(e) other manufacturing activities segment mainly consists of the manufacturing and sale of encoder film and other miscellaneous products.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Group financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to the third parties at the then prevailing market prices.

Segment assets exclude unallocated assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated liabilities as these liabilities are managed on a group basis.

2. SEGMENT INFORMATION (continued)

(a) Operating segments

The following tables present revenue, results and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 March 2015 and 2014.

Group	Electrical and electronic products		Motors		Resources development		Real estate development		Other manufacturing activities		Eliminations		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue														
Revenue from external customers	**1,506,466**	1,289,886	**626,988**	524,248	**18,683**	18,750	**–**	–	**17,148**	19,354	**–**	–	**2,169,285**	1,852,238
Intersegment sales	**21,606**	1,926	**7,894**	9,398	**–**	–	**–**	–	**1,472**	3,381	**(30,972)**	(14,705)	**–**	–
Other income and gains, net	**4,163**	3,549	**9,216**	13,723	**1,130**	7,895	**–**	–	**1**	10	**–**	–	**14,510**	25,177
Total	**1,532,235**	1,295,361	**644,098**	547,369	**19,813**	26,645	**–**	–	**18,621**	22,745	**(30,972)**	(14,705)	**2,183,795**	1,877,415
Segment results	**168,370**	151,660	**(32,934)**	(50,156)	**(181,353)**	(37,926)	**(55,779)**	(6,923)	**3,353**	2,915	**–**	–	**(98,343)**	59,570
Interest and unallocated gains													**1,971**	3,727
Unallocated expenses													**(18,248)**	(14,732)
Finance costs													**(498)**	(4,925)
Profit/(loss) before tax													**(115,118)**	43,640
Income tax expense													**(33,848)**	(28,519)
Profit/(loss) for the year													**(148,966)**	15,121
Segment assets	**1,731,000**	1,704,566	**503,495**	455,854	**47,872**	268,229	**176,353**	115,049	**45,975**	46,979	**(1,040,682)**	(934,568)	**1,464,013**	1,656,109
Unallocated assets													**378,545**	301,626
Total assets													**1,842,558**	1,957,735
Segment liabilities	**224,003**	263,753	**617,690**	498,539	**430,758**	472,802	**209,340**	167,124	**44,817**	44,199	**(1,040,682)**	(934,568)	**485,926**	511,849
Unallocated liabilities													**400,871**	331,223
Total liabilities													**886,797**	843,072
Other segment information:														
Capital expenditure	**64,162**	91,685	**48,703**	51,932	**208**	4,006	**21**	1,651	**117**	126	**–**	–	**113,211**	149,400
Unallocated amount													**75,380**	–
													188,591	149,400
Depreciation and amortisation	**67,208**	56,838	**27,320**	24,537	**7,933**	9,410	**334**	270	**1,260**	1,384	**–**	–	**104,055**	92,439
Unallocated amounts													**1,100**	1,135
													105,155	93,574
Loss/(gain) on disposal of items of property, plant and equipment	**(587)**	–	**92**	21	**(312)**	–	**–**	–	**–**	–	**–**	–	**(807)**	21
Impairment of prepayments and deposits	**–**	–	**–**	–	**85,975**	–	**–**	–	**–**	–	**–**	–	**85,975**	–
Impairment of items of property, plant and equipment	**–**	–	**–**	8,447	**46,196**	13,396	**–**	–	**–**	–	**–**	–	**46,196**	21,843
Impairment of properties under development	**–**	–	**–**	–	**–**	–	**48,193**	–	**–**	–	**–**	–	**48,193**	–
Provision/(write-back of provision) for obsolete inventories, net	**1,377**	(2,744)	**5,706**	1,964	**–**	212	**–**	–	**–**	–	**–**	–	**7,083**	(568)
Impairment of accounts receivable	**–**	–	**453**	–	**–**	–	**–**	–	**–**	–	**–**	–	**453**	–
Write-off of items of property, plant and equipment	**–**	3,661	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	3,661
Write-off of exploration rights and assets	**–**	–	**–**	–	**23,360**	–	**–**	–	**–**	–	**–**	–	**23,360**	–
Write-off of prepayments	**–**	–	**–**	–	**1,567**	–	**–**	–	**–**	–	**–**	–	**1,567**	–
Surplus on revaluation of land and buildings recognised directly in equity	**(4,165)**	(22,264)	**(1,891)**	(4,278)	**(390)**	(5,670)	**–**	–	**(557)**	(2,587)	**–**	–	**(7,003)**	(34,799)
Unallocated amounts													**(2,100)**	(236)
													(9,103)	(35,035)
Loss/(gain) from changes in fair value of investment properties	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Unallocated amounts													**241**	(1,939)
													241	(1,939)

2. **SEGMENT INFORMATION (continued)**

(b) Geographical information

Group	United States of America		Europe		Asia		Others		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Revenue from external customers	**700,086**	573,166	**415,274**	362,343	**908,031**	770,645	**145,894**	146,084	**2,169,285**	1,852,238

The revenue information above is based on the locations of the customers.

Group	Hong Kong		Mainland China		Malaysia		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information:								
Non-current assets	**58,672**	57,971	**887,495**	969,746	**29,834**	33,435	**976,001**	1,061,152

Non-current assets for the segment information consist of property, plant and equipment, investment properties, prepaid land lease payments, properties under development, intangible assets, goodwill and deposits.

(c) Information about major customers

Revenue of HK$1,035,597,000 (2014: HK$863,743,000) was derived from sales of electrical and electronic products to a major customer, which individually accounted for over 10% of the Group's total revenue.

3. REVENUE, OTHER INCOME AND GAINS, NET

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts but excluding intra-group transactions. An analysis of revenue, other income and gains, net is as follows:

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Manufacture and sale of:		
Electrical and electronic products	**1,506,466**	1,289,886
Motors	**626,988**	524,248
Materials and products from resources development	**18,683**	18,750
Products from other manufacturing activities	**17,148**	19,354
	2,169,285	1,852,238
Other income and gains, net		
Bank interest income	**1,843**	2,417
Dividend income from listed investments	**56**	298
Gross rental income	**1,104**	665
Sale of scrap materials	**9,201**	14,298
Gain/(loss) on disposal of items of property, plant and equipment, net	**807**	(21)
Fair value gain on financial assets at fair value through profit or loss, net	**31**	134
Subsidy income*	**–**	6,329
Others	**3,439**	4,784
	16,481	28,904

* There are no unfulfilled conditions or contingencies relating to this income.

4. PROFIT/(LOSS) BEFORE TAX

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

	2015	2014
	HK\$'000	*HK\$'000*
Cost of inventories sold	**1,901,199**	1,618,651
Depreciation	**90,690**	84,986
Amortisation of prepaid land lease payments	**633**	858
Amortisation of deferred development costs	**13,832**	7,730
Loss/(gain) on disposals of items of property, plant and equipment, net	**(807)**	21
Write-off of items of property, plant and equipment*	**–**	3,661
Write-off of exploration rights and assets*	**23,360**	–
Write-off of prepayments*	**1,567**	–
Impairment of items of property, plant and equipment*	**46,196**	21,843
Impairment of prepayments and deposits* *(note 9)*	**85,975**	–
Impairment of properties under development*	**48,193**	–
Impairment of accounts receivable	**453**	–
Provision/(write-back) of obsolete inventories, net	**7,083**	(568)
Loss/(gain) from changes in fair value of investment properties	**241**	(1,939)

* Amounts are included in "Other expenses" on the face of the consolidated income statement.

5. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries in which the Group operates.

	2015	2014
	HK\$'000	*HK\$'000*
Group:		
Current — Hong Kong		
Charge for the year	**21,248**	15,936
Underprovision in prior years	**404**	1,190
Current — Elsewhere		
Charge for the year	**33,971**	24,466
Deferred tax	**(21,775)**	(13,073)
Total tax charge for the year	**33,848**	28,519

6. DIVIDENDS

	2015	2014
	HK$'000	*HK$'000*
Dividend paid during the year		
Final dividend in respect of the financial year ended 31 March 2014 — HK3.0 cents per ordinary share (2014: final dividend in respect of the financial year ended 31 March 2013 — HK3.0 cents per ordinary share)	**12,562**	12,562
Proposed final dividend		
Final — HK4.0 cents (2014: HK3.0 cents) per ordinary share	**16,750**	12,562

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting. These financial statements do not reflect the dividend payable.

7. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share amount is based on the loss for the year attributable to equity holders of the Company of HK$121,583,000 (2014: profit of HK$19,818,000) and 418,748,000 (2014: 418,748,000) ordinary shares in issue during the year.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 March 2015 in respect of a dilution as the impact of the share options outstanding during the year had an anti-dilutive effect on the basic loss per share amount presented.

The calculation of the diluted earnings per share amount for the year ended 31 March 2014 was based on the profit for the year attributable to equity holders of the Company of HK$19,818,000 and 418,823,000 ordinary shares, being the number of shares outstanding, adjusted for the effects of the dilutive potential ordinary shares outstanding.

The calculations of the basic and diluted earnings per share were based on the following data:

	2014
	HK$'000
Earnings	
Earnings for the purpose of basic and diluted earnings per share calculation (profit for the year attributable to owners of the Company)	19,818
	'000
Number of ordinary shares	
Weighted average number of ordinary shares for the purpose of the basic earnings per share calculation	418,748
Weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all options outstanding during the year	75
Weighted average number of ordinary shares for the purpose of the diluted earnings per share calculation	418,823

8. ACCOUNTS RECEIVABLE

The Group's trading terms with its customers are mainly on credit, except for new customers, where cash on sale or payment in advance is normally required. The credit period is generally for a period of one to two months, extending up to three months for certain well-established customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has imposed tightened control to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's accounts receivable mainly relate to recognised and creditworthy customers, there is no significant credit risk. Accounts receivable are non-interest-bearing.

An aged analysis of the accounts receivable as at the end of the reporting period, based on the invoice date, is as follows:

	2015	2014
	HK$'000	*HK$'000*
0–30 days	**160,893**	125,087
31–60 days	**28,542**	30,527
61–90 days	**10,470**	10,476
Over 90 days	**8,749**	5,546
	208,654	171,636
Less: Impairment allowance	**(1,295)**	(842)
	207,359	170,794

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2015	2014
	HK$'000	*HK$'000*
Deposits for mining projects*	**26,582**	26,582
Deposits for land use rights	**–**	94,936
Deposits for property, plant and equipment	**32,565**	50,754
Prepayments*	**75,041**	85,141
Tax reserve certificate	**7,875**	–
Other deposits	**4,648**	3,562
Prepaid land lease payments	**750**	877
	147,461	261,852
Less: Impairments* *(note 4)*	**(85,975)**	–
	61,486	261,852
Less: Current portion	**(28,921)**	(89,580)
Non-current portion	**32,565**	172,272

* Included in the above impairment provision is a provision for deposits for mining projects and prepayments for the exclusive right of supply of antimony ores of HK$25,678,000 (2014: Nil) and HK$60,297,000 (2014: Nil), respectively.

10. ACCOUNTS AND BILLS PAYABLES, ACCRUED LIABILITIES AND OTHER PAYABLES

An aged analysis of the Group's accounts and bills payables as at the end of the reporting period, based on the invoice date, and the balances of accrued liabilities and other payables are as follows:

	2015	2014
	HK$'000	*HK$'000*
0–30 days	**74,240**	102,788
31–60 days	**35,040**	51,524
61–90 days	**48,616**	35,413
Over 90 days	**47,006**	20,368
Accounts and bills payables	**204,902**	210,093
Accrued liabilities	**190,405**	182,853
Other payables	**184,091**	71,840
	579,398	464,786
Less: Current portion	**(448,233)**	(420,482)
Non-current portion*	**131,165**	44,304

The accounts and bills payables and other payables are non-interest-bearing and are normally settled within credit terms of two months, extending up to three months.

* At 31 March 2015, included in other payables was an amount of RMB103,620,000 (2014: RMB35,000,000), approximately HK$131,165,000 (2014: HK$44,304,000), which was received in respect of the subsidies from The People's Government of the Dushan County, Guizhou Province ("Dushan Government"), the People's Republic of China (the "PRC") for the Group's investment projects in Dushan County, Guizhou Province, the PRC. The Group was in the process of finalising the conditions of these subsidies with the Dushan Government.

11. COMPARATIVE AMOUNTS

Certain amounts in the consolidated financial statements for the year ended 31 March 2014 have been reclassified to conform with current year presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the research-and-development-based production of electrical and electronic products, and motors. The non-manufacturing category currently comprises real estate development and resources development operations.

This year we have seen improvements in the operating results of our core manufacturing businesses of the electrical and electronic products business and the motors business as a whole. As the said improvements were offset by the impairment losses incurred on the assets of our non-manufacturing businesses including the real estate development business and the resources development businesses, the Group has recorded a loss in the financial year ended 31 March 2015 ("FY2015"), but these impairment losses are non-cash expense items and would not impose an adverse impact on the cash flow of the Group.

CONSOLIDATED RESULTS

The Group reported a consolidated turnover of HK$2,169,285,000, a 17.1% increase over that of HK$1,852,238,000 recorded for the financial year ended 31 March 2014 ("FY2014"), primarily attributable to the growth in business turnover in the electrical and electronic products business and motors business segments. Total turnover of the Group was accounted for by segmental external turnover of:

- HK$1,506,466,000 from the electrical and electronic products business, representing 69.4% of the consolidated turnover of the Group for the year (FY2014: HK$1,289,886,000, 69.6%);

- HK$626,988,000 from the motors business, contributing 28.9% of the total (FY2014: HK$524,248,000, 28.3%);

- HK$17,148,000 from other manufacturing activities, or 0.8% of the total (FY2014: HK$19,354,000, 1.1%); and

- HK$18,683,000 from the resources development business, accounting for 0.9 % of the total (FY2014: HK$18,750,000, 1.0%).

- The real estate development business has commenced property pre-sales during the year and hence no turnover was generated for the year (FY2014: 0%).

The Group reported a loss of HK$121,583,000 during FY2015, compared to a net profit of HK$19,818,000 attributable to owners of the Company for the corresponding period last year. The loss for the year was attributable to impairment losses/provisions of HK$205,291,000 (FY2014: HK$25,504,000).

Basic loss per share for the year were HK29.03 cents (FY2014: earnings per share HK4.73 cents).

Before inclusion of impairment losses/provisions of HK$205,291,000, profit for the year (before non-controlling interests) of HK$56,325,000 (FY2014: HK$40,625,000) was recorded.

The profit growth trend of the electrical and electronic products segment, as reported in the first six months of FY2015, was sustained well into the second half, while the loss incurred by the motors segment narrowed compared with last year. The resources development segment recorded a loss on unsatisfactory operating results and impairment losses. The real estate development business recorded a loss on operating expenses incurred during the start-up phase together with the impairment loss based on the prevailing estimate of the recoverable value of the assets thereof.

The table below sets out the results of the Group by business segment for FY2015, together with the comparative figures of the previous year:

Results by business segment	**FY2015**	FY2014	**Year-on-year change**
	HK$'000	*HK$'000*	*%*
Electrical and electronic products *(Note 1)*	**168,370**	151,660	+11.0
Motors *(Note 2)*	**(32,934)**	(50,156)	NA
Resources development *(Note 3)*	**(181,353)**	(37,926)	NA
Real estate development *(Note 4)*	**(55,779)**	(6,923)	NA
Other manufacturing activities	**3,353**	2,915	+15.0
Total segment results	**(98,343)**	59,570	NA

Note 1: including impairment losses/provisions of nil for FY2015 (FY2014: HK$3,661,000)

Note 2: including impairment losses/provisions of nil for FY2015 (FY2014: HK$8,447,000)

Note 3: including impairment losses/provisions of HK$157,098,000 for FY2015 (FY2014: HK$13,396,000)

Note 4: including impairment losses/provisions of HK$48,193,000 for FY2015 (FY2014: nil)

OPERATIONAL REVIEW

Manufacturing Businesses

The manufacturing business category remains the Group's core income and earnings contributor. In this arena, we continue to expand our high-value-adding manufacturing activities where we have comparative advantages.

Electrical and Electronic Products Business Segment

The segment is engaged in the development, design and manufacture of (i) electronic and electrical toys; (ii) electrical appliances, with a niche in artificial intelligence (AI) products; and (iii) small electrical home appliances.

Growth remained robust in this business segment and its profit margin has stayed steady on the back of softer commodity prices. Segment external turnover in FY2015 increased by 16.8% to a record high of HK$1,506,466,000 (FY2014: HK$1,289,886,000), driven mainly by sales of our AI robotic products. Segment profit went up by 11.0% to HK$168,370,000 (FY2014: HK$151,660,000), with no impairment losses/provisions this year (FY2014: HK$3,661,000).

The segment continued to expand its product portfolio further towards a higher-value-adding range. Such manufacturing processes require a higher level of skill but the output commands higher price points.

Working in two core directions, the segment has developed new business by securing orders for new models of existing product items under our production, as well as for new product lines. The robotic line was expanded in both ways. Following years of dedicated research-and-development (R&D) efforts put into the robotic vacuum cleaner product series, the segment has succeeded in gaining the position as the major supplier of the customer. A new-generation robotic cleaner was put into production during the year. The segment has also diversified into the production of a range of consumer electronic products in the area of baby care.

One more production line for robotic products was added to the Shenzhen premises with test runs completed smoothly. The expanded facilities are expected to meet production capacity requirements from anticipated order growth in the next few years.

A majority of the raw material costs have stabilised, with some commodities showing signs of a slight drop from their peak prices. This has given the segment leeway to offset the continued surge in labour costs in the PRC. In view of the stabilising Renminbi, the segment has relocated a lot more procurement activities from overseas suppliers to the PRC. These trends, together with ongoing efforts to advance the LEAN manufacturing systems, will continue to provide cost benefits for the segment.

With a strong order book and successful forays into higher-end products, the segment looks forward to a promising outlook of further growth and profitability.

Motors Business Segment

The motors segment is engaged in the development, design, manufacture and sale of a wide range of micro-electric motors and related products, ranging from direct-current (DC) and alternating-current (AC) to brushless motors.

The segment recorded an operating loss of HK$32,934,000 (FY2014: loss HK$50,156,000) with no impairment losses/provisions this year (FY2014: HK$8,447,000), while the segment external turnover increased 19.6% year on year to HK$626,988,000 (FY2014: HK$524,248,000). The improvement in operating performance on the one hand revalidated the strategies of enlarging operating scale and business volume by enhancing automated manufacturing systems of our major product — micro-electric DC motors — amidst the operating environment with rising wages in the PRC, while on the other hand it reflected the beneficial effect of the relatively stabilising Renminbi and raw material prices.

With the commission of the new production facility mainly for production assembly in Guizhou Province, the PRC, as well as the production engineering efforts to increase production efficiency having paid off, the production capacity for our major product has been increasing, which helped answer the market needs with an increase in operating scale. The segment will continue the research-and-development efforts with a special focus on high-value products and production engineering. The segment is expected to invest substantially in automated manufacturing systems and invest to increase the production capacity as well as to expand the sales and marketing network and efforts with an effort to the increase business turnover of our DC and AC motors businesses. The Group is cautiously optimistic that as a growth trend in the operating scale of our major product continues, the operating loss on the segment will continue to improve.

Non-manufacturing Businesses

Real Estate Development Business Segment

The Group is currently engaged in real estate development activities in the PRC, with a focus on the development of a residential and commercial property project located at Dushan Economic Development Zone, Dushan County, Guizhou Province, the PRC.

Subsequent to the full payment of the consideration for the acquisition of relevant land, the land use right certificates of the entire project were last obtained during the year. The first stage of development, a top-end low-density residential property, *The Royale Cambridge Residences*, has been developed in phases.

The pre-sale permit for 36 units under Phase I of *The Royale Cambridge Residences* was granted during the year. We were proud of offering officially our unequalled top-end residential property to the market in year 2015 and receiving positive feedback on the premium quality and design of the subject property. The PRC's GDP growth has been slowing down for various reasons since we commenced our real estate development business. This adverse factor, together with the sluggish property market in general in the PRC and the yet to be developed local infrastructure surrounding the project and the slower-than-expected economic development in Dushan County locally, had adverse impacts on our property sales results. Despite the scarcity value of our property, sales of our property units have recorded less-than-satisfactory results with low selling prices. A few units were contracted to sell generating only a moderate sum in deposit receipts up to now.

In response to the prevailing market sentiment and the current strategies adopted by the Group towards this segment in view of the lack of sales proceeds available for re-investment, total saleable floor area of the residential property of *The Royale Cambridge Residences* will be adjusted from approximately 75,000 square metres to approximately 38,500 square metres, divided into two phases.

As at the date of the report, construction of superstructure for the adjusted saleable floor area of 38,500 square metres, comprising 116 residential units, has been substantially completed. Further investment is expected to be put into the project mainly to complete the landscaping in phases. The construction and interior decoration for approximately 5,600 square metres of the auxiliary retail property (out of the total planned gross floor area of approximately 12,000 square metres) was also completed. Such retail property was temporarily used as the sales office.

Given the current lacklustre property market sentiment and our sales condition, the prevailing expected recoverable amount (based on the current market prices) is currently lower than the carrying value (based on the auction price of the land together with the relevant construction costs and other direct costs) of the project and as a result an impairment loss was incurred in FY2015 under the Company's accounting policies. As pre-sales revenue has yet to be booked in FY2015, the segment incurred a loss of HK$55,779,000 (FY2014: loss of HK$6,923,000) which primarily reflected the administrative expenses of the operations, and an impairment loss of HK$48,193,000 (FY2014: Nil).

We will continue to liaise with the local government on the timing of building and developing the infrastructure surrounding the project so as to enhance its appeal. On the other hand, we are adjusting our marketing strategy and extending our marketing campaigns to nearby cities to attract valuable buyers in order to achieve higher selling prices in an effort to shorten the time to realise the investments in the project.

Depending on the property market in the general in the PRC and the particular demand of real estate property in Dushan County locally. Going forward, as a result of the slow sales results of the first stage development of the project, the development of the next stage, including the commercial property development, will be reassessed and adjusted accordingly. The Group will work closely with government authorities to develop alternative plans.

Resources Development Business Segment

During the year, the segment was engaged in (i) natural resources development and related processing business with respect to mainly copper, zinc, gold, silver, antimony and iron metals; and (ii) materials development business with respect to the development, manufacture and sale of ITO targets.

In view of the current operating environment and challenges, including weak metal prices and difficulty in obtaining government approval for exploitation, facing this segment, we have to strategically allocate the Group's resources to its other business segments, and have therefore been scaling down this segment's capital expenditures and natural resources exploration activities in general in order to reduce the financial exposure of the Group. During the year, we have stringently allocated limited internal funding to the projects which in general only maintained a basic level of operations mainly for the purposes of up-keeping of the relevant licences. Efforts have also been made to devise measures to reduce the loss incurred by this business, including but not limited to consolidation and disposal in future.

Segment turnover decreased slightly by 0.4% to HK$18,683,000 (FY2014: HK$18,750,000), attributable mainly to the increase in turnover of our materials development business which off-set the decrease in turnover from our natural resources development business. Segment loss increased to HK$181,353,000 (FY2014: HK$37,926,000), mainly due to the inclusion of an expense of HK$157,098,000 (FY2014: HK$13,396,000) for the impairment of property, plant and equipment, prepayments and write-off of intangible assets relating to the materials development and natural resources development business owing mainly to the reduced development activities and operating scale.

Materials Development Business

Facing the dual challenge of high material costs coupled with restrained prices for the major products, the related profit margin continued to be under pressure. The current weak end-customer industries have also caused us to be increasingly selective in the selling of products to avoid potential accounts receivable problems. As a result, the turnover and scale of operations of the business has been substantially restrained since the second half of FY2015 and beyond.

In view of the challenges mentioned above, a provision for impairment of property, plant and equipment of HK$29,653,000 (FY 2014: HK$11,869,000) was recorded during the year, representing substantially the entire carrying value of the plant and equipment in this business. The Group may consider appropriate means, such as disposing of the business/assets, to realise as much value as possible in future.

Natural Resources Development Business

Exploration work of our exploration projects in the PRC was largely suspended for various reasons, including administrative instructions from local government authorities to crack down on illegal exploitation and limited internal resources allocated for exploration. With the less-than-satisfactory exploration results in the green field exploration project — the Saiyabouly copper mine project in the Lao People's Democratic Republic, we have decided not to proceed to its next stage of exploration programme and the project has been terminated and there would not be any material impact on the accounts in future.

Given the increasingly stringent environmental concerns about mining activities in the PRC, where two of our exploration projects reached a more advanced stage of development are located, the management expects the chance of obtaining the relevant exploitation licence is slim. Without a clear prospect of obtaining exploitation licence, the operations of these two projects have been maintained at a basic level of operations mainly for the purposes of up-keeping of the relevant exploration licences. The operations of these projects will continue to be stalled, pending the development of the government policies in the PRC towards the situation.

The ore processing plant, which is currently the major operating asset in our Guizhou antimony processing project, has been substantially under-utilised due to the lack of antimony ores supplies. This was in turn caused by the slower-than-planned rate of supply of antimony ores by our strategic alliance who has control over an antimony mine in Dushan County, owing to its less than satisfactory exploration and exploitation results. In addition, the acquisition of a smelting plant in Dushan County has not been completed as the relevant precedent condition was not fulfilled. The operations of this project were and would be stagnant given the expected lack of antimony ores supplies. We are endeavour to devise measures to recoup some value from the ore processing plant and the rights to acquire the smelting plant, through possible avenues including disposal of the entire project.

In view of the above operating conditions and given that the recoverable amount of our natural resources development assets (including exclusive rights of supplying antimony ores, property, plant and equipment of the ore processing plant, deposit for acquisition the smelting plant) is currently expected to be lower than that their carrying value, impairment provisions of HK$157,098,000 (FY2014: Nil) in total (representing substantially the entire carrying value of the investments in this project) was provided for in the Company's financial statements for FY2015 under the Company's accounting policies.

PROPOSED DIVIDEND

The Board is pleased to recommend the payment of a final dividend of HK4.0 cents (FY2014: HK3.0 cents) per share for the FY2015, representing HK$16,750,000 (FY2014: HK$12,562,000). The final dividend is expected to be paid on Tuesday, 15 September 2015 to those shareholders whose names appear on the Company's register of members on Wednesday, 2 September 2015, subject to the approval in the annual general meeting of the Company to be held on Tuesday, 25 August 2015. Based on the aforesaid recommended final dividend, the yearly dividend distributed by the Company during the FY2015 was HK4.0 cents (FY2014: HK3.0 cents).

FINANCIAL CONDITIONS, LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily used its internally generated cash flow and banking facilities to finance its operations and business development. The Group has always been executing a prudent and conservative strategy in its financial management. As at 31 March 2015, the Group had time deposits of HK$18,953,000 (FY2014: HK$84,615,000), cash and bank balances of HK$151,762,000 (FY2014: HK$173,797,000), and net current assets of HK$106,757,000 (FY2014: HK$173,968,000). As at 31 March 2015, shareholders' equity was HK$955,761,000 (FY2014: HK$1,114,663,000). Total consolidated banking facilities (including trade finance facilities) of the Group from all banks as at 31 March 2015 amounted to approximately HK$417,220,000 (FY2014: HK$440,350,000), of which HK$146,176,000 (FY2014: HK$248,380,000) was utilised.

During the year ended 31 March 2015, the Group was technically in breach of a covenant under a loan agreement with a bank, as the ratio of the consolidated loss before interest, taxes, depreciation and amortisation to the consolidated finance charges (the "Financial Ratio") was less than the required ratio by the bank. Subsequent to the year ended 31 March 2015, the Group has successfully obtained a written consent from the bank, to waive the rights entitling them to declare the relevant outstanding loan balance immediately due and payable due to the breach of the loan covenant on the Financial Ratio. Accordingly, the Group's bank loan in the amount of HK$32,500,000 has been reclassified as current liabilities as at 31 March 2015.

As at 31 March 2015, the interest-bearing bank borrowings of the Group were in the sum of HK$146,176,000 (FY2014: HK$248,380,000) of which HK$146,176,000 (FY2014: HK$188,380,000) was repayable within one year and the remaining balance of nil (FY2014: HK$60,000,000) was repayable within second to fifth years.

As at 31 March 2015, the current ratio of the Group (current assets divided by current liabilities) was maintained at a healthy position at 1.1 times (FY2014: 1.2 times) and the gearing ratio of the Group (Total interest-bearing bank borrowings divided by total equity) was 15.3% (FY2014: 22.3%). Based on the above, the Group continued to enjoy a healthy financial position with sufficient financial resources to support its future development.

CAPITAL STRUCTURE

As at 31 March 2015, the total issued share capital of the Company was HK$41,874,800 (FY2014: HK$41,874,800), comprising 418,748,000 (FY2014: 418,748,000) ordinary shares of HK$0.1 each. There was no change in the share capital of the Company during the year.

CHARGE ON THE GROUP'S ASSETS

There was no charge on the Group's assets as at 31 March 2015 (FY2014: Nil).

FOREIGN CURRENCY EXPOSURE

The Group's monetary assets, liabilities and transactions are principally denominated in Hong Kong dollars and Renminbi or United States dollars. The exchange rates between these currencies with Hong Kong dollars were relatively stable during the reporting period, the Group does not have a foreign currency hedging policy on it. In order to manage and minimise the foreign exchange risk, the management shall from time to time review and monitor the foreign exchange exposure and will consider hedging the significant foreign currency exposure when appropriate and necessary.

INTEREST RATE RISK

The Group's financing facilities are denominated in Hong Kong dollars and interests on bank borrowings are chargeable based on certain interest margin over the HIBOR which is therefore of floating rate in nature. The Group has not entered into any interest rate risk hedge to mitigate exposure to interest rate risks during the year.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENT

During the year, the Group was neither involved in any significant investment, nor any material acquisitions or disposals of any subsidiaries.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

DISCLOSURES PURSUANT TO RULE 13.21 OF THE RULES GOVERNING THE LISTING OF SECURITIES ("LISTING RULES") ON THE STOCK EXCHANGE OF HONG KONG LIMITED

In May 2011, the Company, as a borrower, entered into two different term loan facility agreements of HK$100 million each with 2 different banks (the "Lender(s)") for a term of 60 months (the "60-months Term Loan") and a term of 42 months (the "42-months Term Loan"), respectively.

Each of the term loan facility agreement imposes, inter alia, a condition that Mr. Cheng Chor Kit ("Mr. Cheng"), a director and the controlling shareholder (as defined under the Listing Rules) of the Company, and the discretionary trust set up by him for the benefit of his family; collectively shall beneficially or directly maintain a shareholding of not less than 50% of the issued share capital of the Company (the "Specific Performance Obligations"). A breach of the Specific Performance Obligations will constitute an event of default under the relevant facility letter. Upon the occurrence of such event, each of the loan shall become immediately due and repayable on demand.

The 42-months Term Loan together with all interests accrued thereon has been fully repaid within the review period and the Specific Performance Obligations on Mr. Cheng and the discretionary trust set up by him for the benefit of his family have been satisfied.

Subsequent to the review period, on 15 May 2015, the Company and the Lender of the 60-months Term Loan entered into a renewed term loan facility agreement (the "Renewed Agreement"). The Renewed Agreement included a renewed term loan facility of HK$100,000,000 for a term of 60-months (the "Renewed 60-months Term Loan") offered to the Company. Pursuant to the Renewed Agreement, the Renewed 60-months Term Loan has to be used to refinance the outstanding balance of the 60-months Term Loan, and finance the general corporate fund requirements of the Company and the Group. The Renewed Agreement imposes the same Specific Performance Obligations, as the requirements in the term loan facility agreement of the 60-months Term Loan, to Mr. Cheng and his discretionary trust set up by him for the benefit of his family collectively. If any breach of the Specific Performance Obligations will constitute an event of default under the Renewal Agreement, the Renewed Loan shall become immediately due and repayable on demand.

CORPORATE GOVERNANCE PRACTICES

The Board regularly reviews the guidelines and latest development in corporate governance. In the opinion of the Board, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2015 except for the deviation from provision A.2.1 of the CG Code as described in the section "Chairman and Chief Executive Officer" in this Corporate Governance Report (the "CG Report"). The Board has also reviewed the CG Report and is satisfied that it has been in full compliance with all the requirements stipulated in the CG Report in Appendix 14 of the Listing Rules.

Chairman and Chief Executive Officer

Pursuant to provision A.2.1 of the CG Code, the role of chairman and chief executive officer shall be separated and should not be performed by the same individual and the division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The roles of the chairman and the chief executive officer of the Company are not separated and are performed by the same individual, Mr. Cheng Chor Kit. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals, with a high independent element in the Board, where the Board members meet regularly to discuss issue affecting operations of the Company. The Board believes that this structure is conducive to strong and consistent leadership, enabling the Company to make and implement decisions promptly and efficiently.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code of Securities Transactions by directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code on terms no less exacting than the required standard set out in the Model Code regarding securities transactions by directors. Having made specific enquiry of the directors of the Company ("Directors"), all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the year. The relevant employees who, because of their office in the Group, are likely to be in possession of unpublished inside information have been requested to comply with the provisions of the Model Code.

DISCLOSURE OF INFORMATION OF DIRECTORS UNDER RULES 13.51(B)(1) OF THE LISTING RULES

During the year and subsequent up to the date of this annual report, there was no change of information which is required to be disclosed by the Directors pursuant to rule 13.51(B)(1) of the Listing Rules.

REVIEW OF ANNUAL RESULTS

The Audit Committee of the Board has reviewed the consolidated results (including the consolidated financial statements) of the Company for the year ended 31 March 2015.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY INDEPENDENT AUDITORS

The figures in respect of the Group's results for the year ended 31 March 2015 as set out in this preliminary announcement have been agreed by the Group's independent auditors, Ernst & Young, Certified Pubic Accountants ("Ernst & Young") to the amounts set out in the Company's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary results announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 21 August 2015 to Tuesday, 25 August 2015, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the annual general meeting of the Company to be held on Tuesday, 25 August 2015, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's 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 Thursday, 20 August 2015.

The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the annual general meeting of the Company to be held on Tuesday, 25 August 2015. The record date for entitlement to the proposed final dividend is Wednesday, 2 September 2015. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 31 August 2015 to Wednesday, 2 September 2015, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, for registration not later than 4:30 p.m. on Friday, 28 August 2015. The payment of final dividend is expected to be made on Tuesday, 15 September 2015.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement is published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and is available on the Company's website at www.kinyat.com.hk. An annual report for the year ended 31 March 2015 will be dispatched to the Company's shareholders and available on the said websites in due course.

On behalf of the Board
Cheng Chor Kit
Chairman and Chief Executive Officer

Hong Kong, 29 June 2015

As at the date of this announcement, the Board comprises eight directors, of which four are executive directors, namely Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent, Mr. Liu Tat Luen and Mr. Cheng Tsz To and four independent non-executive directors, namely Mr. Wong Chi Wai, Dr. Sun Kwai Yu, Vivian, Mr. Cheng Kwok Kin, Paul and Mr. Cheung Wang Ip.