

# Maintain Steady Profitability

Turnover	+0.5%
2017	1,401
2016	1,394

\*RMB:Million

- Core competitiveness was further consolidated and market share steadily increased
- Security technology application development and service upgrades brought new growth

	Gross profit	Gross profit margin
2017	417	29.8%
2016	419	30.1%

\* RMB:Million

- Intelligent operation optimized efficiency and reduced costs
- Innovative fashion products improved product structure
- 'Products + Services' strategy promoted solutions business
- Diversified and large-scale procurement of raw materials effectively reduced costs

Operating profit	+21.8%
2017	250
2016	205

\* RMB:Million

- Operating expenses decreased 4.7% YOY through effective control and management optimization of costs & expenses
- R&D investment increased up 11.2% YOY. Core technology like secure encryption continued to be upgraded and expanded

Net profit	-19.7%
2017	165
2016	205

\* RMB:Million

- Affected by the exchange rate fluctuation of USD against RMB, the unrealized exchange loss of bank deposit in 2017 was about RMB 49.8 million. Excluding the exchange loss, the net profit would have increased approximately 31.0% YOY to approximately RMB214.3 million

# Financial Highlights

(RMB' 000 )	2017	2016	YOY
Turnover	1,400,842	1,393,713	+0.5%
Gross profit	417,181	419,002	(0.4%)
<b>Gross profit margin</b>	<b>29.8%</b>	<b>30.1%</b>	<b>Flat</b>
Operating Expenses	250,691	263,136	(4.7%)
<b>Operating Profit</b>	<b>250,318</b>	<b>205,484</b>	<b>+21.8%</b>
Operating Profit margin	17.9%	14.7%	+3.1ppts
Exchange gain (loss)*	(49,815)	41,332	(220.5%)
<b>Net Profit</b>	<b>164,477</b>	<b>204,900</b>	<b>(19.7%)</b>
Net Profit margin	11.7%	14.7%	(3.0ppts)
<b>Dividend per share (HK cents)</b>			
- Full Year	<b>20.0</b>	<b>17.0</b>	<b>+17.6%</b>
<b>Dividend payout ratio</b>	<b>82%</b>	<b>61%</b>	<b>+21ppts</b>
<b>EPS (RMB cents)</b>			
- Basic	20.0	24.6	(18.7%)
- Diluted	20.0	24.6	(18.7%)

\* Affected by the exchange rate fluctuation of USD against RMB , the unrealized exchange loss of bank deposit in 2017 was about RMB 49.8 million

# Key Financial Indicators

Indicators	As at 31 Dec, 2017	As at 31 Dec, 2016	As at 30 Jun, 2017
<b>Inventories</b> ( RMB ' 000 )	<b>207,609</b>	<b>211,212</b>	<b>172,488</b>
<b>Inventory turnover</b> ( days )	<b>78</b>	<b>100</b>	<b>72</b>
<b>Account receivable</b> ( RMB ' 000 )	<b>417,729</b>	<b>339,970</b>	<b>613,559</b>
<b>A/R turnover</b> ( days )	<b>99</b>	<b>109</b>	<b>125</b>
<b>Current assets</b> ( RMB ' 000 )	<b>2,196,924</b>	<b>2,145,375</b>	<b>1,873,783</b>
<b>Current liabilities</b> ( RMB ' 000 )	<b>757,121</b>	<b>716,142</b>	<b>612,990</b>
<b>Current ratio</b> (times)	<b>2.9</b>	<b>3.0</b>	<b>3.1</b>

# Net Assets & Cash

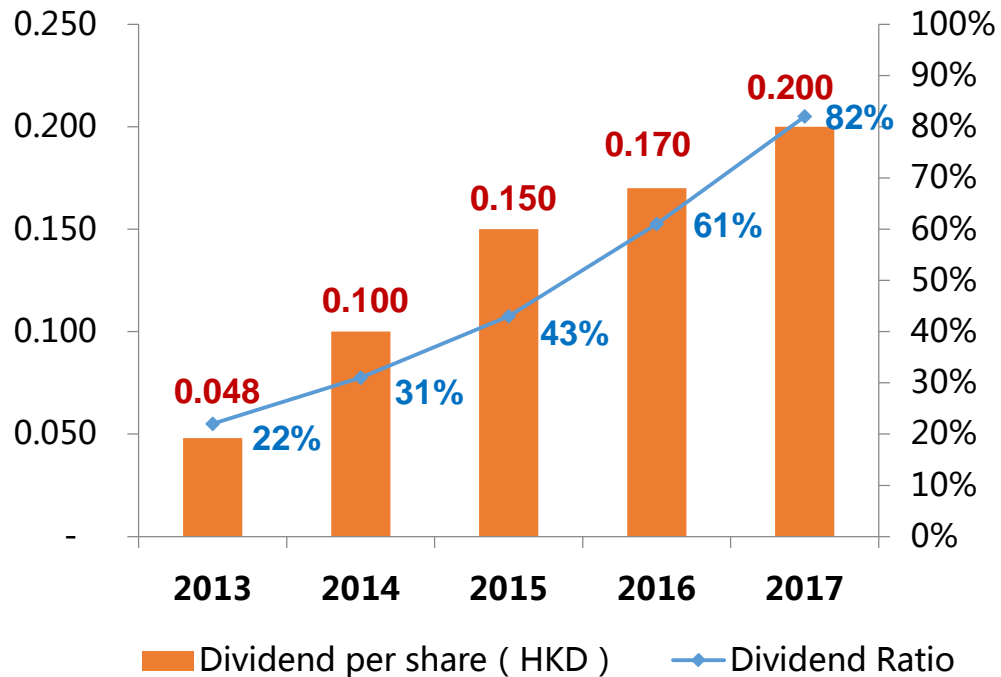
Exchange rate: HKD/RMB: 0.80772

(RMB)	As at 31 Dec, 2017	As at 31 Dec, 2016	As at 30 Jun, 2017
<b>Net assets</b> ('000)	<b>1,929,883</b>	<b>1,873,329</b>	<b>1,862,880</b>
<b>Total Funds Available*</b> (‘000)	<b>1,616,967</b>	<b>1,763,137</b>	<b>1,261,337</b>
<b>Share price</b> (Closed price, 16 Mar 2018)	<b>1.79 ( HKD2.21 )</b>	<b>1.62 ( HKD2.01 )</b>	<b>1.90 ( HKD2.35 )</b>
<b>Net assets per share</b>	<b>2.31</b>	<b>2.25</b>	<b>2.23</b>
<b>Net cash per share</b>	<b>1.94</b>	<b>2.11</b>	<b>1.51</b>

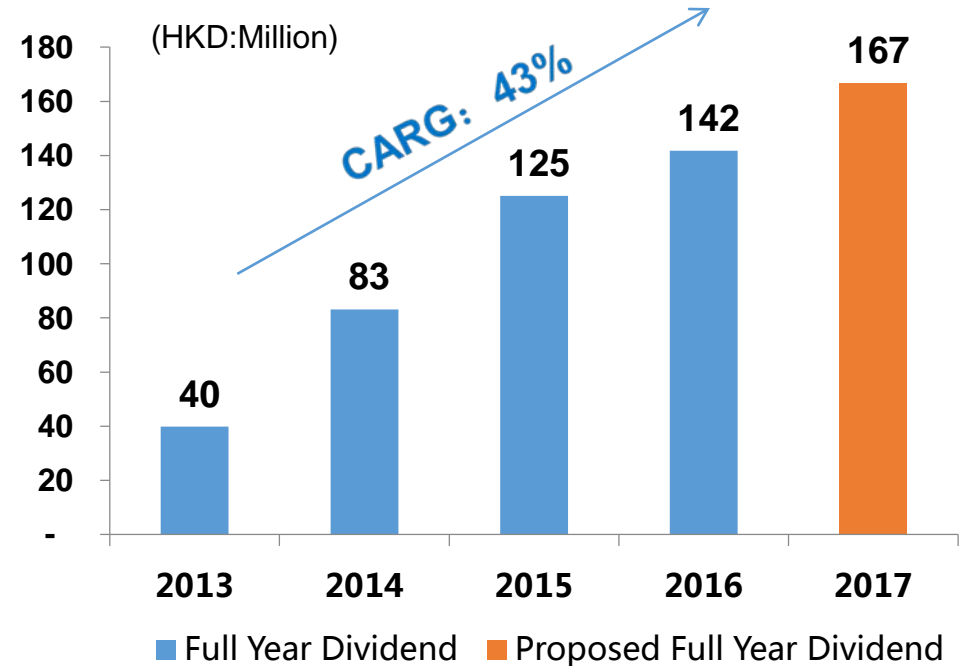
\*Total Funds Available: USD accounted for nearly 52%

# Steady and Generous Dividend Payout

**Dividend Ratio**



**Dividend Amount**



**As of the end of 2017, over HKD420 million cumulative dividends payout (excluding proposed final dividend HKD130 million in 2017)**