

# FINANCIAL

## Review

### Capital Resources and Liquidity

As at 31 March 2016, the Group's total equity funds amounted to HK\$2,288.3 million including reserves of HK\$1,999.1 million. The Group continued to maintain a strong financial position with cash and bank balances of HK\$1,079.0 million. The Group's working capital amounted to HK\$1,834.3 million. Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances and readily available banking facilities, the Group has adequate liquidity and financial resources to meet the working capital requirements as well as to fund its budgeted expansion plans in the next financial year.

During the year, the majority of the Group's cash and bank balances were in Hong Kong dollar, Renminbi, US dollar, Malaysian Ringgit, Singapore dollar, New Taiwan dollar and Swiss Franc and deposited in reputable financial institutions with maturity dates falling within a year. This is in line with the Group's treasury policy to maintain liquidity of its funds and continue to contribute a relatively stable yield to the Group.

### Financial Position

Total funds employed (representing total equity) as at 31 March 2016 were HK\$2,288.3 million, representing a 7.5% year-on-year decrease.

The gearing ratio, defined as the ratio of total borrowings to total equity, was zero as at 31 March 2016 and 31 March 2015.



## Treasury Policies

It is the Group's treasury management policy not to engage in any highly leveraged or speculative derivative products. In this respect, the Group continued to adopt a conservative approach to financial risk management with no borrowings during the year. Most of the assets, receipts and payments of the Group are denominated either in Hong Kong dollar, US dollar, Euro or Renminbi. Based on purchase orders placed, the Group enters into forward foreign exchange contracts with reputable financial institutions to hedge against foreign exchange exposure arising from non-Hong Kong dollar or US dollar denominated purchases. These hedging policies are regularly reviewed by the Group.

## Charge on Group Assets

As at 31 March 2016, no asset of the Group was under charge to any financial institution.

## Contingent Liabilities

The Group had no significant contingent liability as at 31 March 2016.

## Capital Commitments

As at 31 March 2016, the Group had total capital commitments in respect of acquisition of property, plant and equipment of HK\$139.2 million.

