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敏捷控股
NIMBLE HOLDINGS

# NIMBLE HOLDINGS COMPANY LIMITED
# 敏捷控股有限公司

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 186)**

# FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

The board (the "Board") of directors (the "Directors") of Nimble Holdings Company Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2018 (the "Year"), together with the comparative figures for the fifteen months ended 31 March 2017 (the "Corresponding Period") and selected explanatory notes are stated as follows:

## CONSOLIDATED INCOME STATEMENT

*Year ended 31 March 2018*

| | *Notes* | **Year Ended 31 March 2018** *HK$ million* | Period from 1 January 2016 to 31 March 2017 *HK$ million* |
|---|---|---|---|
| REVENUE | *5* | **171** | 288 |
| Cost of sales | | **(96)** | (164) |
| Gross profit | | **75** | 124 |
| Other income | | **13** | 25 |
| Distribution costs | | **(4)** | (4) |
| Administrative expenses | | **(77)** | (100) |
| Allowance for doubtful debts | | **–** | (1) |
| Impairment loss recognised in respect of brands and trademarks, net | *12* | **(42)** | (152) |
| Write back of accrued liabilities with deconsolidated subsidiaries | *16* | **206** | – |
| Gain on discharge of liabilities | *6* | **–** | 2,636 |
| Gain on deconsolidation of subsidiaries | | **–** | 131 |
| Provisional liquidators' fee | *7* | **–** | (4) |
| Reversal/(provision) of restructuring costs | *7* | **6** | (19) |
| Other expenses | | **(1)** | (4) |

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

*Year ended 31 March 2018*

| | Notes | Year Ended 31 March 2018 HK$ million | Period from 1 January 2016 to 31 March 2017 HK$ million |
|---|---|---|---|
| PROFIT BEFORE TAXATION | *8* | **176** | 2,632 |
| Income tax (charge)/credit | *9* | **(32)** | 64 |
| PROFIT FOR THE YEAR/PERIOD | | **144** | 2,696 |
| PROFIT FOR THE YEAR/PERIOD ATTRIBUTABLE TO: | | | |
| Shareholders of the Company | | **175** | 2,813 |
| Non-controlling interests | | **(31)** | (117) |
| | | **144** | 2,696 |
| EARNINGS PER SHARE | *11* | ***HK$*** | *HK$* |
| Basic | | **0.03** | 0.72 |
| Diluted | | **0.03** | 0.72 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*Year ended 31 March 2018*

| | Year Ended 31 March 2018 *HK$ million* | Period from 1 January 2016 to 31 March 2017 *HK$ million* |
|---|---|---|
| PROFIT FOR THE YEAR/PERIOD | **144** | 2,696 |
| OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX: | | |
| Items that may be subsequently reclassified to profit or loss: | | |
| Exchange differences on translation of financial statements of overseas subsidiaries | **7** | (11) |
| Reclassification adjustments relating to deconsolidation of overseas subsidiaries | **–** | 170 |
| | **7** | 159 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD | **151** | 2,855 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD ATTRIBUTABLE TO: | | |
| Shareholders of the Company | **180** | 2,971 |
| Non-controlling interests | **(29)** | (116) |
| | **151** | 2,855 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*31 March 2018*

| | Notes | 2018 HK$ million | 2017 HK$ million |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Plant and equipment | | **–** | – |
| Available-for-sale investments | | **–** | – |
| Deferred tax assets | | **4** | 8 |
| Brands and trademarks | *12* | **260** | 299 |
| Goodwill | *12* | **–** | – |
| Other assets | | **1** | 1 |
| | | **265** | 308 |
| CURRENT ASSETS | | | |
| Inventories | | **25** | 6 |
| Accounts and bills receivable | *13* | **18** | 11 |
| Prepayments, deposits and other receivables | | **6** | 10 |
| Tax recoverable | | **2** | 7 |
| Cash and bank balances | | **446** | 502 |
| | | **497** | 536 |
| CURRENT LIABILITIES | | | |
| Accounts and bills payable | *14* | **1** | – |
| Accrued liabilities and other payables | *15* | **71** | 77 |
| Accrued liabilities with deconsolidated subsidiaries | *16* | **127** | – |
| Tax liabilities | | **25** | 19 |
| | | **224** | 96 |
| NET CURRENT ASSETS | | **273** | 440 |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

*31 March 2018*

| | Notes | 2018 HK$ million | 2017 HK$ million |
|---|---|---|---|
| NON-CURRENT LIABILITIES | | | |
| Tax liabilities | 9 | **22** | – |
| Accrued liabilities with deconsolidated subsidiaries | 16 | **–** | 333 |
| | | **22** | 333 |
| NET ASSETS | | **516** | 415 |
| CAPITAL AND RESERVES | | | |
| Share capital | 17 | **55** | 55 |
| Share premium | 17 | **386** | 386 |
| Reserves | | **(17)** | (219) |
| EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY | | **424** | 222 |
| NON-CONTROLLING INTERESTS | | **92** | 193 |
| TOTAL EQUITY | | **516** | 415 |

## 1. GENERAL

The Company was incorporated in the Cayman Islands and continued in Bermuda as an exempted company with limited liability under the Companies Law of Bermuda. The address of its registered office is Wessex House, 5th Floor, 45 Reid Street, Hamilton HM12, Bermuda. The principal place of business is 11th Floor, The Grande Building, 398 Kwun Tong Road, Kowloon, Hong Kong. The shares of the Company (the "Shares") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Shares were suspended from trading during the period from 30 May 2011 to 27 May 2016. Pursuant to an order of the High Court of Hong Kong Special Administrative Region (the "High Court"), Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of FTI Consulting (Hong Kong) Limited were appointed as the provisional liquidators of the Company (the "Former Provisional Liquidators") on 31 May 2011. During the Corresponding Period, the Company completed the restructuring of the Group and fulfilled all resumption conditions imposed by the Stock Exchange and trading in the Shares resumed on 30 May 2016. The Former Provisional Liquidators were discharged and released on 26 May 2016 by the High Court. For details of the restructuring and resumption of trading, please refer to the circular dated 9 March 2016 (the "Circular") and the announcement dated 26 May 2016 titled "Fulfilment of all resumption conditions and resumption of trading" issued by the Company.

During the Corresponding Period, in order to simplify the structure of the Group, the management has identified a number of dormant subsidiaries to be liquidated. These dormant subsidiaries and Excluded Companies (as defined in the Circular) are grouped together as deconsolidated subsidiaries ("Deconsolidated Subsidiaries").

Prior to 26 May 2016, the Company's immediate holding company was Barrican Investments Corporation, a company incorporated in the British Virgin Islands. Since 26 May 2016 and prior to 26 September 2017, the Company's immediate holding company was Sino Bright Enterprises Co., Ltd. ("Sino Bright"), a company incorporated in the British Virgin Islands. Prior to 26 September 2017, the Company's ultimate holding company was Accolade (PTC) Inc., a company incorporated in the British Virgin Islands, being the trustee to a discretionary trust which owns the entire issued share capital of The Ho Family Trust Limited.

Since 26 September 2017, being the completion date of the sale of 3,616,495,378 Shares from Sino Bright to Wealth Warrior Global Limited ("Wealth Warrior"), the Company's immediate holding company is Wealth Warrior, a company incorporated in the British Virgin Islands. Also since 26 September 2017, the Company's ultimate controlling shareholder is Mr. Tan Bingzhao ("Mr. Tan"), being the beneficial owner and sole director of Wealth Warrior. Upon the close of mandatory unconditional cash offer made by Wealth Warrior on 22 December 2017, Wealth Warrior holds 3,616,712,779 Shares. Mr. Tan is also deemed to be interested in 439,180,000 Shares through a discretionary trust.

The Company changed its name from The Grande Holdings Limited to Nimble Holdings Company Limited on 14 February 2018. The Directors consider that the change of company name will provide the Company with a fresh new corporate image and identity which will be in the interests of the Company and its future development.

The Company is an investment holding company. The principal activities of the Company's major subsidiaries are holding and licensing of brands and trademarks on a worldwide basis, and distribution of household appliances and audio products in the United States of America.

The audited consolidated financial statements are presented in Hong Kong dollars, the functional currency of the Company, and all values are rounded to the nearest million (HK$ million) unless otherwise stated.

During the Corresponding Period, the financial year end date of the Company has been changed from 31 December to 31 March in order to align with the financial year end date with that of Emerson Radio Corp., a significant subsidiary of the Company whose shares are listed on the NYSE American of the United States of America. Accordingly, the comparative figures which cover a period of fifteen months from 1 January 2016 to 31 March 2017 for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes in the consolidated financial statements are not comparable with those of the current year.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

### New and amended standards adopted by the Group

During the Year, the Group has adopted, the following revised Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for accounting periods beginning on or after 1 January 2017:

| | |
|---|---|
| Amendments to HKAS 7 | Disclosure Initiative |
| Amendments to HKAS 12 | Recognition of Deferred Tax Assets for Unrealised Losses |
| Amendments to HKFRS 12 | Annual improvements to 2014-2016 Cycle |

The adoption of the above does not have any significant impact to the Group's results for the Year and the Group's position as at 31 March 2018.

**New standards and amendments to standards not yet adopted**

The Group has not applied the following new and revised HKFRSs, HKASs and interpretations which have been issued but are not effective, in the consolidated financial statements:

| | |
|---|---|
| Amendments to HKAS 40 [(1)] | Transfer of Investment Property |
| Amendments to HKFRSs [(1)] | Annual improvements to HKFRSs 2014 – 2016 Cycle |
| Amendments to HKFRSs [(2)] | Annual improvements to HKFRs 2015 – 2017 Cycle |
| Amendment to HKFRS 2 [(1)] | Classification and Measurement of Share-based Payment Transactions |
| HKFRS 9 [(1)] | Financial Instruments |
| Amendments to HKFRS 9 [(2)] | Prepayment Features with Negative Compensation |
| HKFRS 15 [(1)] | Revenue from Contracts with Customers |
| Amendments to HKFRS 15 [(1)] | Clarification to HKFRS 15 Revenue from Contracts with Customers |
| HKFRS 16 [(2)] | Leases |
| Amendments to HKFRS 10 and HKAS 28 [(3)] | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
| HK(IFRIC) – Int 22 [(1)] | Foreign Currency Transactions and Advance Consideration |
| HK(IFRIC) – Int 23 [(2)] | Uncertainty over Income Tax Treatments |

(1) *Effective for annual periods beginning on or after 1 January 2018*

(2) *Effective for annual periods beginning on or after 1 January 2019*

(3) *Effective date to be determined*

## 3. BASIS OF PREPARATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The HKICPA has issued certain revised HKFRSs and HKASs which are first effective or available for early adoption for the current accounting period of the Group and the Company. Details are set out in Note 2.

### (b) Basis of preparation of the financial statements

The consolidated financial statements for the Year comprise the financial statements of the Company and its subsidiaries.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Hong Kong dollars ("HK$"), rounded to the nearest million except for per share data. Hong Kong dollar is the Company's functional and the Group's presentation currency.

The consolidated financial statements have been prepared under the historical cost.

## 4. SEGMENT REPORTING

The Group currently organises its operations into the following reportable operating segments.

| Operating segments | Principal activities |
|---|---|
| Emerson | Distribution of household appliances and audio products and licensing business<br>– Comprising a group listed on the NYSE American of the United States of America |
| Licensing | Licensing business on a worldwide basis<br>– Comprising the brands and trademarks of Akai, Sansui and Nakamichi |

| | Emerson *HK$ million* | Licensing *HK$ million* | Unallocated *HK$ million* | Inter-segment elimination *HK$ million* | Consolidated *HK$ million* |
|---|---|---|---|---|---|
| **Year ended 31 March 2018** | | | | | |
| **Revenue:** | | | | | |
| Sales of houseware products to external customers | **81** | **–** | **–** | **–** | **81** |
| Sales of audio products to external customers | **34** | **–** | **–** | **–** | **34** |
| Licensing income from external customers | **5** | **51** | **–** | **–** | **56** |
| Total segment revenue | **120** | **51** | **–** | **–** | **171** |
| **Results:** | | | | | |
| Segment results | **(31)** | **37** | **–** | **–** | **6** |
| **Reconciliations:** | | | | | |
| Unallocated corporate expenses | | | **(13)** | | **(13)** |
| (Impairment loss)/reversal of impairment loss recognised in respect of brands and trademarks | **(44)** | **2** | **–** | | **(42)** |
| Write back of accrued liabilities with deconsolidated subsidiaries | | | **206** | | **206** |
| Reversal of restructuring costs | | | **6** | | **6** |
| Dividend income | | | **8** | | **8** |
| Interest income | | | **5** | | **5** |
| Profit for the Year before tax | | | | | **176** |
| **Assets:** | | | | | |
| Segment assets | **599** | **1,227** | **8** | **(1,072)** | **762** |
| **Liabilities:** | | | | | |
| Segment liabilities | **586** | **1,572** | **86** | **(1,998)** | **246** |
| **Other information:** | | | | | |
| Revenue from: | | | | | |
| – the first largest customer | **74** | **–** | **–** | **–** | **74** |
| – the second largest customer | **15** | **–** | **–** | **–** | **15** |

| | Emerson | Licensing | Unallocated | Inter-segment elimination | Consolidated |
|---|---|---|---|---|---|
| | *HK$ million* | *HK$ million* | *HK$ million* | *HK$ million* | *HK$ million* |
| **Period from 1 January 2016 to 31 March 2017** | | | | | |
| **Revenue:** | | | | | |
| Sales of houseware products to external customers | 165 | – | – | – | 165 |
| Sales of audio products to external customers | 29 | – | – | – | 29 |
| Licensing income from external customers | 37 | 57 | – | – | 94 |
| Total segment revenue | 231 | 57 | – | – | 288 |
| **Results:** | | | | | |
| Segment results | (8) | 42 | – | – | 34 |
| **Reconciliations:** | | | | | |
| Unallocated corporate expenses | | | (14) | | (14) |
| (Impairment loss)/reversal of impairment loss recognised in respect of brands and trademarks | (192) | 40 | – | | (152) |
| Allowance for doubtful debts | | | (1) | | (1) |
| Gain on discharge of liabilities | | | 2,636 | | 2,636 |
| Gain on deconsolidation of subsidiaries | | | 131 | | 131 |
| Write back of long outstanding liabilities | | | 18 | | 18 |
| Provisional liquidators' fee | | | (4) | | (4) |
| Provision for restructuring costs | | | (19) | | (19) |
| Interest income | | | 3 | | 3 |
| Profit for the Corresponding Period before tax | | | | | 2,632 |
| **Assets:** | | | | | |
| Segment assets | 709 | 3,172 | 17 | (3,054) | 844 |
| **Liabilities:** | | | | | |
| Segment liabilities | 579 | 2,627 | 346 | (3,123) | 429 |
| **Other information:** | | | | | |
| Revenue from: | | | | | |
| – the first largest customer | 125 | – | – | – | 125 |
| – the second largest customer | 37 | – | – | – | 37 |

## 5. REVENUE

Revenue represents the net invoiced value of goods sold after allowances for returns and trade discounts, and licensing income from the Group's brands and trademarks, but excludes intra-group transactions.

An analysis of the Group's revenue by principal activity for the Year/Corresponding Period is as follows:

| | **Year Ended 31 March 2018** | Period from 1 January 2016 to 31 March 2017 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| By principal activity: | | |
| Sales of goods | **115** | 194 |
| Licensing income | **56** | 94 |
| | **171** | 288 |

The Group's customer base is diversified and includes one customer (Corresponding Period: two customers) with whom transactions has exceeded 10% of the Group's revenue during the Year, in which HK$74 million or 43.3% (Corresponding Period: HK$162 million or 56.2%) of total revenue of the Group during the Year was derived from the single customer (Corresponding Period: two customers).

## 6. GAIN ON DISCHARGE OF LIABILITIES

During the Corresponding Period, pursuant to the schemes of arrangement set out in the Circular (the "Schemes"), all the liabilities of the Company totaling HK$3,080 million under the Schemes were discharged by cash consideration of approximately HK$106 million and the issuance of 3,881,437,269 shares under the Schemes as set out in the Circular (the "Creditors Shares") to the scheme creditors at an issue price of HK$0.087 per share. The gain on discharge of liabilities of HK$2,636 million represents the excess of liabilities discharged over the cash consideration of approximately HK$106 million and the issuance of Creditors Shares valued at approximately HK$338 million, such amount derived from 3,881,437,269 Creditors Shares times the issue price of HK$0.087 per share, which was deemed as the shares' fair value.

## 7. PROVISIONAL LIQUIDATORS' FEE AND RESTRUCTURING COSTS

As at the date of this announcement, the Company has not received all the required information and analyses from the Former Provisional Liquidators regarding the total restructuring costs and provisional liquidators' fees incurred by the Company. The Company has had no option but to resort to legal action in the High Court to obtain this required information and this matter is ongoing. Accordingly, the Company recorded all the unpaid invoices relating to the restructuring as restructuring costs or provisional liquidators' fees in the consolidated financial statements in the Corresponding Period. In addition, the Former Provisional Liquidators had transferred a sum of HK$34 million from the bank account of the Group to the High Court. It was also understood that Sino Bright, a creditor as defined in the Circular, has deposited HK$20 million with the High Court to settle the restructuring costs, in return for Creditors Shares. The Company had accounted for these two amounts as part of the payment of provisional liquidators' fees and restructuring costs in the Corresponding Period.

Based on a consent summons dated 29 January 2018 filed with the High Court and an order then issued by the High Court on the same date, the Former Provisional Liquidators and the Company agreed that a part of the restructuring costs with a sum of approximately HK$6 million which the Company had accrued in the Corresponding Period, should be paid out from the aforementioned deposit with the High Court. As a result, a write back of such restructuring costs has been made in the current year.

Upon receipt of further documentary evidence from the Former Provisional Liquidators, the Company will conduct a review and make appropriate adjustments, if necessary, to ascertain the amounts of provisional liquidators' fees and restructuring costs to be included in future financial statements accordingly.

## 8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

| | Year Ended 31 March 2018 *HK$ million* | Period from 1 January 2016 to 31 March 2017 *HK$ million* |
|---|---|---|
| **(a) Staff costs** | | |
| Directors' and chief executive officer's emoluments | **8** | 10 |
| Other staff costs | | |
| – Salaries and other benefits | **29** | 38 |
| – Retirement benefits costs | **5** | 7 |
| | **42** | 55 |
| **(b) Other items** | | |
| Operating lease rentals in respect of land and buildings | **7** | 9 |
| Auditor's remuneration: | | |
| – Current year/period | **2** | 3 |
| Carrying amount of inventories sold | **96** | 158 |
| Write down of inventories | **–** | 6 |
| Write back of long outstanding liabilities | **–** | (18) |
| Dividend income | **(8)** | – |
| Interest income | **(5)** | (3) |

## 9. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

No Hong Kong profits tax has been provided for the Year in the consolidated financial statements as there is no assessable profits arising in Hong Kong during the Year (Corresponding Period: Nil).

| | **Year Ended 31 March 2018** | Period from 1 January 2016 to 31 March 2017 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| Current tax | | |
| Overseas | **29** | (2) |
| Over provision in prior year/period | | |
| Overseas | **(1)** | (63) |
| Deferred tax | | |
| Overseas | **4** | 1 |
| Income tax charge/(credit) | **32** | (64) |

Included in the overseas' current tax during the Year, there is a tax provision of approximately HK$24 million in relation to the new tax legislation enacted by the United States Government in December 2017. In accordance with this legislation, the Group is able to elect to pay such tax liabilities over a period of up to eight years on an interest-free basis. Therefore, approximately HK$2 million is classified as current liabilities while the remaining HK$22 million is classified as non-current liabilities in the consolidated statement of financial position as of 31 March 2018 as it is not expected to be settled within twelve months since the end of the reporting period.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 10. DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (Corresponding Period: Nil).

## 11. EARNINGS PER SHARE

### (a) Basic earnings per share:

The calculation of basic earnings per share is based on the following data:

| | Year Ended 31 March 2018 *HK$ million* | Period from 1 January 2016 to 31 March 2017 *HK$ million* |
|---|---|---|
| Profit: | | |
| Profit attributable to shareholders of the Company used in the basic earnings per share calculation | **175** | 2,813 |

| | Year Ended 31 March 2018 Number of ordinary shares *million* | Period from 1 January 2016 to 31 March 2017 Number of ordinary shares *million* |
|---|---|---|
| Shares: | | |
| Weighted average number of ordinary shares for the purpose of calculating basic earnings per share | **5,492.2** | 3,881.1 |

### (b) Diluted earnings per share:

Diluted earnings per share equals basic earnings per share as there were no potential ordinary shares outstanding during the Year and the Corresponding Period.

## 12. BRANDS AND TRADEMARKS, GOODWILL

| | Brands and trademarks | | Goodwill | |
|---|---|---|---|---|
| | **2018** | 2017 | **2018** | 2017 |
| | ***HK$ million*** | *HK$ million* | ***HK$ million*** | *HK$ million* |
| **Gross amount** | | | | |
| At 1 April/1 January | **2,006** | 2,001 | **13** | 13 |
| Foreign currency adjustment | **20** | 5 | **–** | – |
| At 31 March | **2,026** | 2,006 | **13** | 13 |
| **Accumulated amortisation and impairment** | | | | |
| At 1 April/1 January | **1,707** | 1,551 | **13** | 13 |
| Foreign currency adjustment | **17** | 4 | **–** | – |
| Impairment loss recognised | **42** | 152 | **–** | – |
| At 31 March | **1,766** | 1,707 | **13** | 13 |
| Carrying amount at 31 March | **260** | 299 | **–** | – |

Prior to 1 January 2005, brands and trademarks were amortised over their estimated useful lives but not more than 20 years and stated at their cost less accumulated amortisation and impairment losses. On 1 January 2005, the Group reassessed the useful lives of the brands and trademarks and concluded that all brands and trademarks have indefinite useful lives.

The various brands and trademarks held by the Group have been legally registered on a worldwide basis for many years and the trademarks registrations are renewable at minimal cost. The management of the Company is of the opinion that the Group will renew these trademarks continuously and has the ability to do so. Various assessments including product life cycle studies, market, competitive and environmental trends, and brand extension opportunities have been performed by the management of the Group, which supports that the trademarks have no foreseeable limit to the period over which the trademarked products are expected to generate net cash flows for the Group.

As a result, the brands and trademarks are considered by the management of the Group as having indefinite useful lives because they are expected to contribute to net cash inflows indefinitely. The brands and trademarks will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually or more frequently when there are indications of impairment.

The recoverable amounts of the brands and trademarks are determined based on value-in-use calculations.

The Group recorded a non-cash impairment charge reversal of HK$Nil and HK$2 million (2017: HK$37 million and HK$3 million) associated with the partial reversal for provision of its Akai and Nakamichi trademarks respectively as at 31 March 2018. This was with reference to the valuation reports prepared by an independent professional valuer.

The Group recorded a non-cash impairment charge of HK$192 million associated with the partial provision of its Emerson trademark as at 31 March 2017. This was with reference to the valuation as at 30 June 2016 prepared by an independent professional valuer and then updated by the management with updated projections as at 31 March 2017.

The Group recorded a non-cash impairment charge of HK$44 million associated with the partial provision of its Emerson trademark as at 31 March 2018. This was with reference to the valuation report prepared by an independent professional valuer.

## 13. ACCOUNTS AND BILLS RECEIVABLE

The Group allows an average credit period of 30 to 60 days to its trade customers.

| | **2018** | 2017 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| Gross amount | **20** | 13 |
| *Less:* allowance for doubtful debts | **(2)** | (2) |
| Net amount | **18** | 11 |

The ageing analysis of accounts and bills receivable (net of allowance for doubtful debts) is presented based on the invoice dates as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| 0 – 3 months | **18** | 11 |

## 14. ACCOUNTS AND BILLS PAYABLE

The ageing analysis of accounts and bills payable is as follows:

| | **2018** | 2017 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| 0 – 3 months | **1** | – |

## 15. ACCRUED LIABILITIES AND OTHER PAYABLES

| | **2018** | 2017 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| Accrued expenses *(Note (i))* | **39** | 42 |
| Deferred income *(Note (ii))* | **28** | 32 |
| Other payables *(Note (iii))* | **4** | 3 |
| | **71** | 77 |

*Note (i)*

Included in the accrued expenses were amounts in aggregate of HK$27 million (2017: HK$27 million) which were provisions for liabilities to Sansui Electric Co., Ltd. ("SEC"), a company incorporated in Japan and formerly listed on the First Section of the Tokyo Stock Exchange, and Sansui Sales Pte. Limited ("SSPL"), both former associate corporations of the Company. The background of the provision was as follows:

An aggregate sum of HK$539 million was allegedly due to SEC and SSPL (the "Alleged Outstanding Sum") by the Group as at 31 December 2015.

The Alleged Outstanding Sum was secured by a Share Pledge (defined below), and was non-interest bearing and had no fixed terms of repayment.

On 9 January 2014, the Former Provisional Liquidators caused certain subsidiaries of the Company which are incorporated in the BVI, namely Sansui Electric Company Limited ("Sansui BVI"), The Alpha Capital Services Limited ("ACSL"), The Grande Capital Group Limited and The Grande (Nominees) Limited ("GNL") (together, the "Plaintiffs"), to commence legal proceedings (HCA 48/2014) against (1) SEC; and (2) SSPL for, inter alia:

1. setting aside a share pledge entered into between Sansui BVI and SEC dated 3 March 2009 (the "Share Pledge"); and

2. a declaration that the debts and receivables secured by the Share Pledge did not exist.

Upon completion of the Company's restructuring on 26 May 2016, ACSL and GNL were Excluded Companies (as defined in the Circular) and GNL has since been dissolved.

By the Share Pledge, Sansui BVI purportedly pledged all of its shares in Sansui Acoustics Research Corporation (the "SARC Shares"), a company registered in the BVI and a wholly owned subsidiary of the Group ("SARC"), to SEC. SARC owns worldwide rights to the Sansui trademarks.

Based on the information available at the time, the Former Provisional Liquidators were of the view that the debts and receivables purportedly secured by the Share Pledge are not genuine and bona fide, and therefore the Share Pledge should be rescinded or declared void. On this basis, the Former Provisional Liquidators applied for and obtained an injunction order on 8 January 2014 prohibiting SEC and SSPL from dealing with or exercising any right in the SARC Shares. The Directors of the Company share the same view as the Former Provisional Liquidators as stated above.

On 9 December 2014, SEC and SSPL issued a Summons to dispute jurisdiction of the High Court to try the proceedings in HCA 48/2014 (the "Jurisdiction Summons"). The Company subsequently agreed with all other Plaintiff's along with SEC, to discontinue this legal case with effect from 29 March 2017 and this released both the injunction order mentioned above and the injunction over the use of the Sansui funds. The Company will commence the appropriate legal procedures to retrieve the shares of SARC.

According to a legal opinion received by management of the Group, the liabilities are legally discharged as of the end of the reporting period. However, considering the uncertainties and contingencies as disclosed in the section headed "Contingent liabilities" under Management Discussion and Analysis, the management are of the view that the amounts should continue to be recognised as liabilities in the consolidated statement of financial position as of the end of the reporting period, until the disclosed contingencies no longer exist or the liquidation/strike-off of SEC and SSPL is completed.

*Note (ii)*

Deferred income represents licensing income received in advance in cash that relates to periods subsequent to 31 March 2018 and the Corresponding Period respectively.

*Note (iii)*

An amount of approximately HK$4 million as at 31 March 2018 (2017: approximately HK$3 million) was a remaining provision for third party liabilities.

## 16. ACCRUED LIABILITIES WITH DECONSOLIDATED SUBSIDIARIES

| | **2018** | 2017 |
|---|---|---|
| | ***HK$ million*** | *HK$ million* |
| At 1 April/1 January | **333** | 33 |
| Arising from deconsolidation of subsidiaries | **–** | 300 |
| Write back during the year | **(206)** | – |
| At 31 March | **127** | 333 |
| Represented by: | | |
| Portion classified as current liabilities | **127** | – |
| Portion classified as non-current liabilities | **–** | 333 |
| Total | **127** | 333 |

The accrued liabilities with the Deconsolidated Subsidiaries are classified as non-current liabilities as at 31 March 2017 for the reason that the liquidation of these Deconsolidated Subsidiaries was still at the very initial stage and substantiation of claims will normally take quite some time to complete, hence these liabilities were not expected to be settled in the next twelve months.

Attributable to the progress of liquidations of the Deconsolidated Subsidiaries during the Year, the balance of accrued liabilities with Deconsolidated Subsidiaries has been reduced to HK$127 million as at 31 March 2018. Also according to the progress of the liquidations of the Deconsolidated Subsidiaries, the management considered that all the liquidations of these Deconsolidated Subsidiaries are expected to be completed on or before the next financial year ending 31 March 2019.

## 17. SHARE CAPITAL AND SHARE PREMIUM

| | Number of Shares | Share Capital | Share Premium |
|---|---|---|---|
| | | *HK$ million* | *HK$ million* |
| Authorised share capital: | | | |
| Ordinary shares of HK$0.1 each at 1 January 2016 | 1,000,000,000 | 100 | |
| Ordinary shares of HK$0.1 each cancelled | (539,772,680) | (54) | |
| | 460,227,320 | 46 | |
| Capital reduction (par value reduced to HK$0.01 each) | 460,227,320 | 5 | |
| Increase of capital | 19,539,772,680 | 195 | |
| Ordinary shares of HK$0.01 each at 31 March 2017 and 31 March 2018 | 20,000,000,000 | 200 | |
| Issued and fully paid share capital: | | | |
| Ordinary shares of HK$0.1 each at 1 January 2016 | 460,227,320 | 46 | 1,173 |
| Capital reduction (par value reduced to HK$0.01 each) | – | (41) | – |
| Share premium reduction | – | – | (1,173) |
| Shares issued under the Open Offer (as defined in the Circular) | 1,150,568,300 | 11 | 87 |
| Shares issued under the Schemes | 3,881,437,269 | 39 | 299 |
| Ordinary shares of HK$0.01 each at 31 March 2017 and 31 March 2018 | 5,492,232,889 | 55 | 386 |

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group recorded a revenue of HK$171 million for the year ended 31 March 2018 as compared to HK$288 million for the 15 months ended 31 March 2017, a decrease of 40.6%. The significant decrease in revenue was mainly due to the decrease in the revenue generated from the distribution of household appliances and the licensing income of Emerson. The Group recorded an audited net profit attributable to shareholders of HK$175 million for the Year, as compared to HK$2,813 million for the Corresponding Period. The significant drop in the net profit was mainly due to (1) there was a significant gain of HK$2,636 million arising from the settlement of the Company's scheme creditors through the schemes of arrangement recorded in the Corresponding Period, which was an one-off event of the restructuring exercise of the Group that took place in May 2016 and no similar item occurred during the Year, (2) a net decrease in impairment loss of HK$110 million, mainly in relation to the trademark of Emerson; and (3) a net increase of HK$75 million in the write back of accrued liabilities with deconsolidated subsidiaries in the Year as compared with the gain on deconsolidation of subsidiaries in the Corresponding Period.

The operations of the Group include the Emerson operations and licensing operations for Akai, Sansui and Nakamichi brands.

**Emerson operations**

The revenue generated from the distribution of household appliances and audio products of Emerson for the Year was HK$115 million as compared to HK$194 million for the Corresponding Period. The major elements which contributed to the overall decrease in net product sales of HK$79 million or 40.7% was a decrease in sales of Emerson-branded microwave ovens and compact refrigerators, partly offset by an increase in toaster ovens, wine products and clock radios. Emerson anticipates that the loss of these sales has had and is expected to continue to have a material adverse effect on Emerson's business and results of operations. Emerson will continue to expand the existing distribution channels and to develop and promote new products to regain shelf spaces in these retailers in the United States of America. Emerson is also investing in products and marketing activities to expand its sales through internet and ecommerce channels. These efforts will require investments in appropriate human resources, media marketing and development of products in various categories, in addition to the traditional home appliances and audio products which Emerson has historically focused on.

Licensing revenue of Emerson for the Year was HK$5 million as compared to HK$37 million for the Corresponding Period, a decrease of HK$32 million, or 86.5%. This is primarily due to the termination of Emerson's largest license agreement with Funai Corporation, Inc. ("Funai"), which ended on 31 December 2016. Emerson is continuing to find licensees and to negotiate for a replacement licensee to Funai. However, given the current status of the worldwide TV consumer market, it is doubtful as to when a new contract will be concluded. As a result, the loss of this licensing income has had and is expected to continue to have a material adverse effect on Emerson's business and results of operations. Emerson is analyzing the impacts to its business of these events and is identifying strategic courses of action for consideration.

Emerson continues to take active steps to further streamline its operations to reduce and control its operating costs. Excluding legal fees of HK$4 million attributable to an infringement suit taken by Emerson against a third party, the ongoing operating costs for the Year was reduced to HK$51 million as compared to HK$75 million for the Corresponding Period.

Due to the Tax Cuts and Jobs Acts newly enacted by the US Government, under Section 965, Emerson must include in the Year a one-time transition tax estimated at approximately HK$24 million on the deemed repatriation of Emerson's undistributed earnings of its foreign subsidiaries. In this respect, Emerson had to provide for the additional tax which is payable in eight instalments over eight years.

In December 2016, Emerson publicly announced the approval by its board of directors of the repurchase program of up to US$5 million of its common stock and intended to run the repurchase program through the end of 2017. In September 2017, Emerson's board of directors further approved an additional US$5 million, bringing the total authorised stock repurchase under the program to US$10 million and in June 2018 extended the program to 31 December 2018. Under the program, repurchases will be funded from Emerson's available working capital and any repurchased shares will be held in the treasury as authorised and issued shares available for general corporate purposes. As at 31 March 2018, Emerson has repurchased 4,330,744 shares of its common stock. In this respect, the deemed acquisition increased the Group's shareholding in Emerson from 56.3% as at 31 March 2017 to 66.9% as at the year end of 31 March 2018.

### Licensing operations

The revenue generated from these operations was HK$51 million for the Year as compared to HK$57 million for the Corresponding Period. The operating profit of these operation for the Year was HK$37 million as compared to HK$42 million for the Corresponding Period which represented the net licensing income received from the licensees. Since the Corresponding Period consisted of 15 months, the level of revenue generated from the licensing operations for the Year, in fact, was approximately HK$5.4 million or 11.8% higher than the Corresponding Period if compared on a year on year basis. On the same basis, the operating profit of this operation for the Year was HK$3.4 million or 10.1% higher than the Corresponding Period.

The continuing licensing model is that, Akai, Sansui and Nakamichi will grant licensing rights to individual licensees around the world, authorising them to sell products under the respective trademark. In return, the licensees will pay a licensing fee ranging from 2% to 6%, depending on the respective brand involved, on the gross value of purchases made during the license period. All licensing agreements are subject to a minimum fee payable by the licensees, which varies with individual contracts and are non-refundable. This minimum fee corresponds to the guaranteed minimum gross purchase that each licensee commits. The licensee will have to pay an additional license fee in the case where the actual gross purchase for a license period is exceeding the guaranteed minimum gross purchase, unless the contract is based on a fixed fee structure.

The Group is still subject to geo-political challenges in certain countries under political unrest, like the Middle-East. Currency fluctuation also effects those licensees operating with currencies depreciating against the US dollars, which is the currency of the fees under our licensing agreements. On the other hand, our licensees usually obtain their products from the People's Republic of China ("PRC") and as the RMB was relatively strong as compared to non-US denominated currencies, it also increased the cost of products for our licensees. The other major challenge comes from competitive consumer electronic brands offering licensing opportunities. However, we have built up and maintained a steady portfolio of licensees, with some licensees out and some new licensees in. In the past few years, we can always maintain a total of 30 contracts or above in force with licensees to distribute products in the brand names of Akai, Sansui and Nakamichi around the world. The Company believes that we can continue to maintain very strong relationships with our licensees and are ready to work with these licensing partners to tackle these challenges and strengthen their businesses.

## BUSINESS PROSPECT

On 22 September 2017, the Company's former immediate holding company, Sino Bright Enterprises Co., Ltd. entered into a sale and purchase agreement to sell 3,616,495,378 Shares to Wealth Warrior (the "Offeror"), a company wholly-owned by our Chairman, Mr. Tan. The transaction was completed on 26 September 2017. Since there was a change of control of the Company, under the Code on Takeovers and Merger, the Offeror was required to make a mandatory unconditional cash offer for all the issued Shares, other than those already owned and/or agreed to be acquired by the Offeror or parties acting in concert with it (the "Offer"). A composite document was then issued to the shareholders of the Company for the mandatory unconditional cash offer on 1 December 2017 (the "Composite Document").

As stated in the Composite Document, Mr. Tan has intended to continue the principal businesses of the Group and may look into business opportunities to enhance the long-term growth potential of the Group. As at the date of this announcement, Mr. Tan and the Board have decided to continue to support the operation of the principal businesses of the Group. However, no investment or business opportunities had yet been identified nor has the Company entered into any agreements, arrangements, undertakings or negotiation in relation to the injection of any assets or business into the Group.

## LIQUIDITY AND FINANCIAL RESOURCES

The current ratio of the Group as at 31 March 2018 was 2.22 as compared to 5.58 as at 31 March 2017. The decrease in current ratio was due to (1) the accrued liabilities with deconsolidated subsidiaries of HK$127 million classified as long term liabilities as at 31 March 2017 was reclassified as short term liabilities as at 31 March 2018, with the review of the liquidation status of those deconsolidated subsidiaries; and (2) approximately HK$50 million cash was utilised to repurchase the common stock of Emerson.

The Group's working capital requirements were entirely financed by internal resources as the Group continued to generate cash from its licensing business and the distribution of electrical appliances. As at 31 March 2018, the Group had accumulated cash and bank balances amounting to HK$446 million as compared to HK$502 million as at 31 March 2017.

## MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save for the disposal of the subsidiary, Tomei Kawa Electronics International Limited, on 16 June 2017, the Group did not make any material acquisition or disposal of subsidiaries and affiliated companies during the Year.

## SIGNIFICANT INVESTMENT

The Group did not make any new significant investment during the Year.

## FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have any concrete plan for material investments or capital assets acquisitions for the coming 12 months.

## GEARING

There were no interest-bearing borrowings recorded in the consolidated financial statements of the Group for the Year and for the Corresponding Period respectively.

## CHARGES ON GROUP ASSETS

As at 31 March 2018, certain of the Group's assets with a total carrying value of approximately HK$196 million (HK$176 million as at 31 March 2017) were pledged to secure other liabilities granted in previous years to certain Deconsolidated Subsidiaries and the Group.

## TREASURY POLICIES

The Group's revenues are mainly in US dollars. The Group is not exposed to any significant currency risks since the HK dollar is linked with the US dollar.

## EMPLOYEES AND REMUNERATION

The number of employees of the Group as at 31 March 2018 and 31 March 2017 was approximately 40. The Group remunerates its employees mainly based on industry practice, individual performance and experience. Apart from the basic remuneration, a discretionary bonus may be granted to eligible employees by reference to the Group's performance as well as to an individual's performance in the relevant financial year. Other benefits include medical and retirement schemes.

## CONTINGENT LIABILITIES

Except for the cases set out below, the Group did not have significant contingent liabilities as of 31 March 2018 and up to the date of this announcement:

(a) In an Order made by the High Court on 9 May 2016 in respect of case HCCW 177/2011 the Company is required to:

    (i) Indemnify and keep indemnified the Former Provisional Liquidators in the event that the funds paid into Court, are insufficient to meet the taxed fees and expenses of the Former Provisional Liquidators; and

(ii) Indemnify and keep indemnified Mr Fok Hei Yu, Vincent and FTI Consulting (Hong Kong) Limited in respect of the costs of the defence of proceedings HCA 92/2014 ("the Action"), subject to the final determination of the Action. HCA 92/2014 is a legal case filed in January 2014 in the High Court by Sino Bright against Mr. Fok Hei Yu and FTI Consulting (Hong Kong) Limited for alleged misrepresentation and the case is ongoing.

As at the date of this announcement, the Company has received no such requests for such fees, costs and expenses.

(b) As refer to note 15 of this announcement, the legal case with the High Court under HCA 48/2014 was discontinued. However, there still remains a potential claim by SEC and SSPL to exercise the Share Pledge, that the claim is still in existence. However, the Company has the exact same view as the Former Provisional Liquidators that the debts and receivables purportedly secured by the Share Pledge are not genuine and bona fide, and therefore the Share Pledge should be rescinded or declared void. The Company will again rigorously defend this in Court should SEC and/or SSPL try and take action again, as they have unsuccessfully done in the past.

The management is of the view that no provision is necessary for any of the matters described above after having considered their respective merits.

## EVENT AFTER BALANCE SHEET DATE

There were no significant events occurred after the balance sheet date.

## CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2018 annual general meeting of the Company, the register of members of the Company will be closed. Details of such closure are set out below:

| | |
|---|---|
| Latest times to lodge transfer documents for registration | 4:30 p.m. on Thursday, 23 August 2018 |
| Closure of registers of members | Friday, 24 August 2018 to Thursday, 30 August 2018 (both days inclusive) |
| Record date | Thursday, 30 August 2018 |

During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the 2018 annual general meeting of the Company, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registrations with the Company's share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

## ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Thursday, 30 August 2018. The notice of annual general meeting will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

## PURCHASE, SALE OR REDEMPTION OF SHARES

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

## CORPORATE GOVERNANCE CODE

The Company's code on corporate governance practices was adopted by reference to the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules.

The Board confirmed that the Company has complied with all principles and code provisions in the CG Code during the Year, except for the code provisions of the CG Code as noted hereunder:

1. Mr. James Mailer retired as an independent non-executive Directors with effect from the conclusion of the annual general meeting of the Company held on 16 August 2017 (the "AGM"), and ceased to be a member of the audit committee of the Company. Since that date, the Company only has two independent non-executive Directors and two members in its audit committee, which according to the Rules 3.10(1) and 3.21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited respectively, the minimum number of both cases should be three. Pursuant to Rules 3.11 and 3.23 of the Listing Rules, the Company should appoint a sufficient number of independent non-executive Directors and members of the audit committee of the Company within three months after failing to meet the requirements under Rules 3.10(1) and 3.21 of the Listing Rules respectively. The Company subsequently submitted a waiver application to the Stock Exchange in early November 2017. As disclosed in the Company's announcement dated 21 November 2017, in view of the change in the shareholding structure of the Company, the Stock Exchange granted a waiver to the Company from strict compliance with Rules 3.10 and 3.21 of the Listing Rules, and an extension of time to one month from the close of the Offer. Following the change to the composition of the Board and Board committees with effect from 2 December 2017, the Board comprises three executive Directors, four non-executive Directors, and five Independent non-executive Directors, whereas the Audit Committee comprised three independent non-executive Directors, and accordingly, the Company is in compliance with Rules 3.10 and 3.21 of the Listing Rules.

2. Upon the change of the composition of the Board, as mentioned in the above, Mr. Tan was appointed as the Chairman of the Board and the Chief Executive Officer of the Company ("CEO") with effect from 2 December 2017, which according to code provision A.2.1, the roles of these two positions should be separate and should not be performed by the same individual.

The Board has considered that the non-segregation would not result in concentration of power in one person and has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

The primary role of the Chairman of the Board is to provide leadership for the Board and to ensure that it works effectively in the discharge of its responsibilities. The CEO is responsible for the day-to-day management of the Group's business. Their respective roles and responsibilities are set out in writing and have been approved by the Board. As mentioned above, the roles of the Chairman and the CEO have been performed by Mr. Tan. However, if the Board does find a suitable candidate for the position of CEO, the above roles will be separately discharged by different persons at that time.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all directors and each of them has confirmed that they have complied with the Model Code during the Year.

## EXTRACTS FROM INDEPENDENT AUDITOR'S DRAFT REPORT

The followings are extracted from the independent auditor report on the consolidated financial statements of the Group for the year ended 31 March 2018.

### Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements, and on whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## Basis for Disclaimer of Opinion

### ***Scope limitation in respect of corresponding figures of financial performance, cash flows and relevant disclosures***

As detailed in our auditor's report dated 30 June 2017 on the consolidated financial statements of the Group for the financial period from 1 January 2016 to 31 March 2017, the predecessor auditors who were engaged to perform the audit of the consolidated financial statements of the Group for the year ended 31 December 2015 had expressed a disclaimer of opinion as a result of limitation of scope in respect of their audit of certain account balances in the consolidated statement of financial position as at 31 December 2015. Since opening balances in consolidated statement of financial position affect the determination of the results of operations and hence cash flows, we were unable to determine whether adjustments to the results of operations and cash flows might be necessary for the financial period from 1 January 2016 to 31 March 2017. Hence our opinion on the consolidated financial statements of the Group for the financial period from 1 January 2016 to 31 March 2017 was disclaimed because of the possible effects of these matters.

In respect of the consolidated financial statements of the Group for the financial year ended 31 March 2018, the matters which were the subject matter of the scope limitations referred to above do not have effects on the account balances presented in the consolidated statements of financial position of the Group as at 31 March 2017 and 31 March 2018 or the results and cash flows of the Group for the current year ended 31 March 2018, and the related disclosures in the consolidated financial statements. However, any adjustments found to be necessary in respect of these matters may have significant effects on the financial performance and cash flows of the Group for the period ended 31 March 2017, and the related disclosures in the consolidated financial statements, presented as corresponding figures in the consolidated financial statements. Hence our opinion on the current year's consolidated financial statements is also disclaimed because of the possible effects of the matters on the comparability of the current year's figures and the corresponding figures of the Group's financial performance, cash flows and relevant notes.

## REVIEW BY AUDIT COMMITTEE

The Group's consolidated financial statements for the Year have been reviewed by the audit committee of the Company. The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Company's auditor, Moore Stephens CPA Limited ("Moore Stephens"), to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Moore Stephens 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 HKICPA and consequently no assurance has been expressed by Moore Stephens on this preliminary announcement. The auditor disclaimed an opinion and an extract of its report is reproduced on pages 32 to 33 of this announcement.

## PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nimbleholding.com). The Group's Annual Report for the Year will be despatched to the shareholders of the Company and available on the above websites in due course.

By order of the Board
**NIMBLE HOLDINGS COMPANY LIMITED**
**Tan Bingzhao**
*Chairman*

Hong Kong, 29 June 2018

*As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely, Mr. Tan Bingzhao and Mr. Deng Xiangping; and three independent non-executive directors, namely, Dr. Lin Jinying, Dr. Lu Zhenghua and Dr. Ye Hengqing.*