Sheen Tai Holdings Group Company Limited
順泰控股集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 01335)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

GROUP FINANCIAL HIGHLIGHT

for the year ended 31 December 2015
(Expressed in Hong Kong dollars)

	2015	2014
	$'000	*$'000*
Turnover	**469,241**	712,534
Gross profit	**130,954**	282,248
Profit before taxation	**381,164**	190,601
Profit attributable to:		
Equity shareholders of the Company	**326,530**	92,507
Earnings per share		
Basic (HKD)	**0.16**	0.06
Diluted (HKD)	**0.15**	0.05
Cash and cash equivalents	**194,410**	117,049
Net assets	**917,350**	536,728
Total assets	**1,414,399**	1,194,906

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Sheen Tai Holdings Group Company Limited (the "**Company**" or "**Sheentai**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2015 (the "**Year**"), with the comparative figures for the year ended 31 December 2014, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2015 (Expressed in Hong Kong dollars)

	Note	**2015** **$'000**	2014 $'000
Revenue	5	**469,241**	712,534
Cost of sales		**(338,287)**	(430,286)
Gross profit		**130,954**	282,248
Other income	6	**13,185**	25,950
Distribution costs		**(17,665)**	(14,777)
Administrative expenses		**(89,364)**	(76,354)
Other operating expenses		**(2,649)**	(8,100)
Profit from operations		**34,461**	208,967
Net income from disposal of a subsidiary		**362,125**	–
Finance costs	7(a)	**(15,422)**	(18,366)
Profit before taxation	7	**381,164**	190,601
Income tax	8(a)	**(54,634)**	(39,497)
Profit for the year		**326,530**	151,104
Attributable to:			
Equity shareholders of the Company		**326,530**	92,507
Non-controlling interests		**–**	58,597
Profit for the year		**326,530**	151,104
Earnings per share			
Basic (HKD)	9	**0.16**	0.06
Diluted (HKD)	9	**0.15**	0.05

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015 (Expressed in Hong Kong dollars)

	2015	2014
	$'000	*$'000*
Profit for the year	**326,530**	151,104
Other comprehensive income for the year (after tax and reclassification adjustments)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of subsidiaries	**(38,684)**	1,145
Available-for-sale financial assets: net movement in the fair value reserve	–	(3,505)
Other comprehensive income for the year	**(38,684)**	(2,360)
Total comprehensive income for the year	**287,846**	148,744
Attributable to:		
Equity shareholders of the Company	**287,864**	89,861
Non-controlling interests	–	58,883
Total comprehensive income for the year	**287,864**	148,744

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015 (Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Non-current assets			
Property, plant and equipment		**354,386**	188,573
Interests in leasehold land held for own use under operating lease		**21,287**	23,148
Intangible assets		**1,082**	125
Other non-current assets		**1,885**	–
Deferred tax assets		**8,278**	6,473
		386,918	218,319
Current assets			
Financial assets at fair value through profit & loss		**83,410**	–
Inventories		**416,677**	323,555
Trade and other receivables	*11*	**329,356**	186,383
Restricted cash		**3,628**	18,950
Assets classified as held for sale		**–**	330,650
Cash and cash equivalents		**194,410**	117,049
		1,027,481	976,587
Current liabilities			
Trade and other payables	*12*	**315,854**	221,455
Bank loans and overdrafts	*13*	**95,789**	211,273
Financial liabilities at fair value through profit or loss		**1,403**	1,891
Current taxation		**4,268**	2,982
Liabilities classified as held for sale		**–**	139,770
		417,314	577,371
Net current assets		**610,167**	399,216
Total assets less current liabilities		**997,085**	617,535

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015 (Expressed in Hong Kong dollars)

	Note	2015 $'000	2014 $'000
Non-current liabilities			
Bank loans and overdrafts	13	**665**	878
Convertible bond		**69,198**	69,159
Deferred tax liabilities		**9,872**	10,770
		79,735	80,807
NET ASSETS		**917,350**	536,728
CAPITAL AND RESERVES			
Share capital		**5,019**	4,173
Reserves		**912,331**	437,695
Total equity attributable to equity shareholders of the Company		**917,350**	441,868
Non-controlling interests		**–**	94,860
TOTAL EQUITY		**917,350**	536,728

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2015 (Expressed in Hong Kong dollars)

1 General information

Sheen Tai Holdings Group Company Limited (the "Company") was incorporated in the Cayman Islands on 24 February 2012 and registered as an exempted company with limited liability under Companies law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries hereinafter are collectively referred to as the "Group". The Company's shares were listed on the Stock Exchange of Hong Kong Limited on 13 July 2012.

2 Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. These 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. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

3 Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group:

- Annual Improvements to HKFRSs 2010-2012 Cycle
- Annual Improvements to HKFRSs 2011-2013 Cycle

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended HKFRSs are discussed below:

Annual Improvements to HKFRSs 2010-2012 Cycle and 2011-2013 Cycle

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, HKAS 24, Related party disclosures has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

4 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2015

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and standards which are not yet effective for the year ended 31 December 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Annual improvements to HKFRSs 2012-2014 cycle	1 January 2016
Amendments to HKAS 1, *Disclosure initiative*	1 January 2016
Amendments to HKAS 16 and HKAS 38, *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
HKFRS 15, *Revenue from contracts with customers*	1 January 2018
HKFRS 9, *Financial instruments*	1 January 2018

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

5 Revenue and segment reporting

(a) Revenue

The principal activities of the Group are manufacturing and supply of cigarette paper boxes, cigarette films and other marketing films, development of properties and operation of photovoltaic power plants in the People's Republic of China (the "PRC").

Revenue represents the sales value of goods sold less returns, discounts and value added taxes and other sales taxes. The amount of each significant category of revenue during the year is as follows:

	2015		2014	
	$'000	***%***	*$'000*	*%*
Trading				
– Packaging materials	**75,639**	**16.1**	**46,323**	6.5
– Others	**6,245**	**1.3**	**–**	–
Sub-total	**81,884**	**17.4**	**46,323**	6.5
Manufacturing and sales of packaging materials				
– Cigarette paper boxes	**–**	**–**	**304,748**	42.8
– Non-cigarette-related packaging materials	**105,863**	**22.6**	**89,847**	12.6
– Anti-counterfeiting films	**92,046**	**19.6**	**92,722**	13.0
– Other cigarette films	**189,295**	**40.4**	**178,894**	25.1
Sub-total	**387,204**	**82.6**	**666,211**	93.5
Development of properties	**–**	**–**	**–**	–
Generation of photovoltaic power	**153**	**–**	**–**	–
Total	**469,241**	**100.0**	**712,534**	100.0

For the year ended 31 December 2015, there were 2 (2014: 2) customers with whom transactions have exceeded 10% of the Group's revenues. In 2015 revenues from sales to these customers, including sales to entities which are known to the Group to be under common control with these customers (i.e. the sales to different customers are viewed as a single customer if the relevant sales were made to various customers under common control), amounted to approximately $285,586,000 (2014: $571,816,000).

Further details regarding the Group's principal activities are disclosed as below:

(b) Segment reporting

The Group manages its businesses by divisions, which are consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments.

- Trading: this segment engages in trading of packaging materials;

- Manufacturing and sales of packaging materials: this segment engages in manufacturing and sales of cigarette packaging films and non-cigarette-related packing materials (e.g. films for packing straws, food, cassettes and stationery tapes);

- Development of properties: this segment engages in development and sales of residential properties; and

- Generation of photovoltaic power: this segment engages in generating and sales of electricity.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets. Segment liabilities include trade creditors, accruals and bills payable attributable to the manufacturing and sales activities of the individual segments and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below.

	Trading		Manufacturing and sales of packaging materials		Development of properties		Generation of photovoltaic power		Total	
	2015	2014 (Restated)	**2015**	2014 (Restated)	**2015**	2014 (Restated)	**2015**	2014 (Restated)	**2015**	2014 (Restated)
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Revenue from external customers	**81,884**	46,323	**387,204**	666,211	**–**	–	**153**	–	**469,241**	712,534
Reportable segment revenue	**81,884**	46,323	**387,204**	666,211	**–**	–	**153**	–	**469,241**	712,534
Reportable segment gross profit	**56,823**	30,975	**73,978**	251,273	**–**	–	**153**	–	**130,954**	282,248
Reportable segment profit/ (loss) before taxation	**29,611**	21,039	**22,418**	165,485	**(9,470)**	–	**(928)**	–	**41,631**	186,524
Interest income from bank deposits	**917**	1,525	**466**	886	**20**	8	**2**	–	**1,405**	2,419
Interest expense	**2,480**	409	**7,611**	13,642	**2,100**	2,045	**–**	–	**12,191**	16,096
Depreciation and amortisation for the year	**1,044**	1,594	**15,620**	30,215	**497**	124	**2**	–	**17,163**	31,933
Reportable segment assets	**295,704**	155,515	**494,305**	768,958	**344,014**	245,201	**156,324**	–	**1,290,347**	1,169,674
Additions to non-current segment assets during the year	**3,818**	337	**4,924**	21,584	**1,403**	851	**152,555**	–	**162,700**	22,772
Reportable segment liabilities	**85,046**	216,278	**158,369**	230,330	**150,728**	205,743	**97,604**	–	**491,747**	652,351

As a result of the disposal of Jiangsu Shuntai Packaging & Printing Science Technology during 2015, the Group has changed its internal organisation and the composition of its reportable segments. Accordingly, the Group has restated the operating segment information for the year ended 31 December 2014.

(ii) Reconciliations of reportable segment profit or loss, assets and liabilities

	2015	2014 (Restated)
	$'000	*$'000*
Profit		
Reportable segment profit before taxation	**41,631**	186,524
Net income from disposal of a subsidiary	**362,125**	–
Net realised and unrealised gains on equity securities	**896**	–
Net gains from sale of available-for-sale financial assets	**–**	11,031
Dividend income from equity securities	**516**	–
Unallocated head office and corporate expenses	**(24,004)**	(6,954)
Consolidated profit before taxation	**381,164**	190,601
Assets		
Reportable segment assets	**1,290,347**	1,169,674
Equity securities	**83,410**	–
Unallocated head office and corporate assets	**40,642**	25,232
Consolidated total assets	**1,414,399**	1,194,906
Liabilities		
Reportable segment liabilities	**491,747**	652,351
Unallocated head office and corporate liabilities	**5,302**	5,827
Consolidated total liabilities	**497,049**	658,178

(iii) Geographic information

No geographic information is shown as the revenue and profit from operations of the Group are derived from its activities in the PRC.

6 Other income

	2015	2014
	$'000	*$'000*
Interest income	**6,103**	2,419
Government grants	**–**	575
Dividend income from equity securities	**516**	1,549
Dividend income from a liquidated subsidiary	**2,016**	–
Sales of scrap materials	**9,962**	12,505
Net foreign exchange loss	**(7,378)**	(908)
Gains on sale of available-for-sale financial assets	**–**	9,482
Net realised and unrealised gains on equity securities	**896**	–
Gain/(loss) on revaluation of convertible bond	**488**	(274)
Rental income	**248**	259
Others	**334**	343
	13,185	25,950

7 Profit before taxation

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

	2015	2014
	$'000	*$'000*
(a) Finance costs:		
Interest on bank borrowings wholly repayable within five years	**3,121**	15,024
Interest on convertible bond	**3,189**	776
Other interest expense	**16,866**	7,509
Less: Interest expense capitalised into properties under development*	**(7,754)**	(4,943)
	15,422	18,366

* The borrowing costs have been capitalised at a rate of 5.600% – 8.515% per annum.

	2015	2014
(b) Staff costs:		
Contributions to defined contributions retirement plan	**3,531**	3,768
Equity settled share-based payment expenses	**9,685**	1,363
Salaries, wages and other benefits	**54,330**	56,528
	67,546	61,659
(c) Other items:		
Amortisation of intangible assets	**35**	138
Auditors' remuneration	**1,860**	2,557
Cost of inventories #	**338,287**	430,286
Depreciation of property, plant and equipment	**19,029**	30,800
Amortisation of leasehold land	**531**	995
Impairment losses – Trade and other receivables	**3,727**	1,102
Net foreign exchange loss	**7,378**	908
Operating lease charges	**8,351**	8,128
Net loss on sale of property, plant and equipment	**79**	44

Cost of inventories includes $35,541,000 (2014: $49,005,000) relating to staff costs, operating lease charges, depreciation and amortisation expenses, which amounts are also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.

8 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2015	2014
	$'000	*$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**–**	4,851
Current tax – PRC income tax		
Provision for the year	**57,686**	35,354
Deferred tax		
Origination and reversal of temporary differences	**(3,052)**	(708)
	54,634	39,497

(i) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in these jurisdictions.

(ii) The provision for Hong Kong Profits Tax for the years ended 31 December 2014 and 2015 is calculated at 16.5% of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2014-15 subject to a maximum reduction of $20,000 for each business (2014: a maximum reduction of $10,000 was granted for the year of assessment 2013-14 and was taken into account in calculating the provision for 2014). The payments of dividends by the Group companies incorporated in Hong Kong are not subject to withholding tax.

(iii) On 16 March 2007, the Fifth Plenary Session of the Tenth National People's Congress passed the Corporate Income Tax Law of the PRC ("New Tax Law") which became effective on 1 January 2008 and the PRC's statutory Corporate Income Tax rate is 25%.

Pursuant to the rules and regulations applicable to advanced technology enterprises established in the PRC, Jiangsu Shuntai Packaging & Printing Science Technology Co., Ltd. is subject to PRC corporate income tax at a preferential tax rate of 15% for the year ended 31 December 2014.

(iv) According to the New Tax Law and its implementation rules, dividends receivable by non-PRC-resident corporate investors from PRC-resident enterprises are subject to withholding tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. Under the tax arrangement between the Mainland of China and Hong Kong Special Administrative Region and the relevant regulations, a qualified Hong Kong tax resident which is the "beneficial owner" and holds a 25% equity interest or more of a PRC enterprise is entitled to a reduced withholding tax rate of 5%. The withholding tax rate applicable to the Group is 5%.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2015	2014
	$'000	*$'000*
Profit before taxation	**381,164**	190,601
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned	**47,813**	33,747
Tax effect of non-deductible expenses	**4,486**	2,657
PRC withholding tax	**2,335**	3,093
Actual tax expense	**54,634**	39,497

9 Earnings per share

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share ("EPS") for the year ended 31 December 2014 has been retrospectively adjusted for the Share Subdivision.

(a) Basic earnings per share

Basic EPS is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2015	2014
	$'000	*$'000*
Profit attributable to equity shareholders of the Company	**326,530**	92,507
Weighted average number of ordinary Shares in issue (Note)	**1,989,341**	1,665,565
Basic EPS (Note)	**0.16**	0.06

Note: Weighted average number of ordinary shares in issue and basic EPS were stated after taking into account the effect of the Share Subdivision. Comparative figures have also been restated on the assumption that the Share Subdivision had been effective in prior year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$329,231,000 (2014: HK$93,557,000) divided by the weighted average number of ordinary shares of 2,187,293,000 shares (2014: 1,756,932,000) after adjusting for the effects of deemed issue of shares under the Company's Pre-IPO Share Option Scheme, the effect of deemed conversion of convertible bond and the effect of Share Subdivision.

(i) Profit attributable to ordinary equity shareholders of the Company (diluted)

	2015	2014
	$'000	*$'000*
Profit attributable to ordinary equity shareholders of the Company	**326,530**	92,507
After tax effect of effective interest on the liability component of convertible bond	**3,189**	776
After tax effect of change in fair value of derivative component of convertible bond	**(488)**	274
Profit attributable to ordinary equity shareholders of the Company (diluted)	**329,231**	93,557

(ii) Weighted average number of ordinary shares (diluted)

	2015	2014
	'000	*'000*
Weighted average number of ordinary shares *(Note)*	**1,989,341**	1,665,565
Effect of deemed issue of shares under the Company's share option scheme *(Note)*	**29,074**	6,928
Effect of deemed conversion of convertible bond *(Note)*	**168,878**	84,439
Weighted average number of ordinary shares (diluted) *(Note)*	**2,187,293**	1,756,932

Note: Weighted average number of ordinary shares in issue, adjustments for share options and convertible bond, weighted average number of ordinary shares for the calculation of diluted EPS and diluted EPS were stated after taking into account the effect of the Share Subdivision. Comparative figures have been restated on the assumption that the Share Subdivision had been effective in prior year.

10 Dividends

(i) Dividends payable and proposed to equity shareholders of the Company attributable to the year:

	2015	2014
	$'000	*$'000*
Final dividend proposed after the end of the reporting period of HK$0.02 (2014: HK$0.08 per share before the effect of the Share Subdivision, or HK$0.02 per share after the effect of the Share Subdivision) per ordinary share	**40,154**	40,027

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year:

A dividend in respect of the year ended 31 December 2014 of HK$0.02 per share after effect of the Share Subdivision amounting to a total dividend of HK$40,026,900 was approved and paid during the year ended 31 December 2015.

11 Trade and other receivables

	2015	2014
	$'000	*$'000*
Trade debtors and bills receivable	**309,104**	161,992
Less: Allowance from doubtful debts *(note 11(b))*	**(4,648)**	(1,830)
	304,456	160,162
Deposits, prepayments and other receivables		
– third parties	**24,900**	26,221
	329,356	186,383

All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

(a) Ageing analysis:

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

	2015		2014	
	Trade debtors	**Bills receivable**	Trade debtors	Bills receivable
	$'000	***$'000***	*$'000*	*$'000*
Less than 30 days	**41,332**	**90,410**	46,747	19,645
31 – 90 days	**62,875**	**15,154**	61,884	9,530
91 – 180 days	**28,721**	**62,379**	11,859	76
181 – 365 days	**2,229**	**193**	6,247	–
Over 365 days	**1,008**	**155**	4,174	–
	136,165	**168,291**	130,911	29,251

Trade debtors and bills receivable are due within 30 to 180 days from the invoice date.

(b) Impairment of trade debtors and bills receivable

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

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	2015	2014
	$'000	*$'000*
At 1 January	**1,830**	728
Impairment loss recognised	**2,818**	1,102
At 31 December	**4,648**	1,830

As of 31 December 2015, an impairment loss of HK$4,648,000 (2014: HK$1,830,000) was recognised and provided for as a result from the assessment of the Group's trade receivables due from third parties of HK$4,648,000 (2014: HK$1,830,000) that individually determined to be impaired. The individually impaired trade receivables mainly relate to customers who are in financial difficulties and the likelihood of recoverability is expected to be in doubt. The Group does not hold any collateral over these balances.

Trade receivables due from third parties that are past due but not impaired relate to creditworthy customers who have maintained a close working relationship with the Group and have consistent payment records.

(c) Trade and bills receivable that are not impaired:

The aging analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	2015	2014
	$'000	*$'000*
Current	**251,601**	113,243
Less than 1 month past due	**17,844**	22,720
1 to 3 months past due	**29,066**	11,635
More than 3 months past due	**5,945**	12,564
Amount past due	**52,855**	46,919
	304,456	160,162

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history default.

Receivables that were past due but not impaired relate to the trade balance with a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balance are still considered fully recoverable.

(d) Impairment of other receivables

At 31 December 2015, a provision of HK$909,000 (2014: Nil) was provided for other receivables.

12 Trade and other payables

	2015	2014
	$'000	*$'000*
Trade and bills payable	**130,790**	61,530
Other payables and accruals		
– related parties	**71,125**	46,011
– others	**112,148**	110,157
Amount due to the Controlling shareholder and director – Mr Guo Yumin	**1,791**	3,757
	315,854	221,455

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade creditors and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

	2015		2014	
	Trade payable	**Bills payable**	Trade payable	Bills payable
	$'000	***$'000***	*$'000*	*$'000*
Due within 1 month or on demand	**107,040**	**9,582**	11,554	42,500
Due after 1 month but within 3 months	**2,543**	**6,073**	6,329	–
Due after 3 months but within 6 months	**2,192**	**1,683**	397	–
Due more than 6 months	**1,677**	**–**	750	–
	113,452	**17,338**	19,030	42,500

13 Bank loans and overdrafts

At 31 December 2014 and 2015, the bank loans and overdrafts were repayable as follows:

	2015	2014
	$'000	*$'000*
Within 1 year or on demand	**95,789**	211,273
After 1 year but within 2 years	**228**	220
After 2 years but within 5 years	**437**	658
	665	878
	96,454	212,151

	2015	2014
	$'000	*$'000*
Representing:		
Unsecured overdrafts from banks and other financial institution	**950**	9,731
Bank loans		
– Secured	**72,281**	198,998
– Unsecured	**23,223**	3,422
	96,454	212,151

At 31 December 2014 and 2015, the banking facilities of the Group totaling $468,832,000 and $382,579,000 respectively were utilised to the extent of $212,151,000 and $96,454,000 respectively. Certain bank loans were secured by assets of the Group as set out below:

	2015	2014
	$'000	*$'000*
Restricted cash	**3,628**	18,950
Property, plant and equipment and leasehold land	**163,010**	179,502
	166,638	198,452

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2014 and 2015 none of the covenants relating to drawn down facilities had been breached.

14 Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors capital with reference to its debt position. The Group's strategy was to maintain the equity and debt in a balanced position and ensure that there was adequate working capital to service its debt obligations. The Group's gearing ratio, being the Group's net debt over its shareholder's equity as at 31 December 2014 and 2015 was 72% and 12% respectively.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements in the current and prior years.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The Group has reported a decrease in turnover and an increase in profit attributable to equity holders of the Company for the Year under review when compared to the year ended 31 December 2014.

In 2015, the Group focused on sales of imported films, self-manufactured films, residential properties and self-generated photovoltaic power. The Group had disposed Jiangsu Shuntai Packaging & Printing Science Technology ("**Jiangsu Shuntai**") (effective as at 1 January 2015) and had been engaged in the generation of photovoltaic power in Xuzhou (effective since 28 December 2015). As a result of the disposal of Jiangsu Shuntai and the engagement in the business of photovoltaic power generation, the Group has broadly reclassified its operation into four classes of business namely, (i) trading, (ii) manufacturing and sales of packaging materials, (iii) development of properties and (iv) generation of photovoltaic power. Among the manufacturing and sales of packaging materials business, there are three products which are (i) non-cigarette-related film, (ii) anti-counterfeiting cigarette film and (iii) other cigarette-related film.

In 2015, the Group has two manufacturing plants for production of packaging materials and a solar power plant for the generation of photovoltaic power. The first manufacturing plant is located in Qingdao, the PRC (the "**Ener Manufacturing Plant**"). The Ener Manufacturing Plant is used for the manufacturing of other cigarette films and non-cigarette-related films. The second manufacturing plant is located in Huaian, the PRC (the "**Sheen Colour Manufacturing Plant**"). The Sheen Colour Manufacturing Plant is used for the manufacturing of anti-counterfeiting cigarette films. The solar power plant is located in Xuzhou, the PRC (the "**Xuzhou Photovoltaic Power Plant**") which has been put into operation in December 2015.

Set out below are the management discussion and analysis of the Group for the Year.

FINANCIAL REVIEW

Result of operation

Turnover

The turnover represents the sales value of goods sold less returns, discounts and value added taxes and other sales taxes and which are principally derived from the manufacturing and trading of cigarette-related and non-cigarette related packaging materials. No sales has been recorded for sale of properties during the year ended 31 December 2014 and 2015. The Group recorded turnover of approximately HK$469.2 million for the Year, representing a decrease of approximately 34.1% compared to approximately HK$712.5 million for the year ended 31 December 2014 due to the disposal of our subsidiary, Jiangsu Shuntai.

Trading

The increase in turnover from trading by approximately 76.9% to approximately HK$81.9 million for the Year (2014: approximately HK$46.3 million) was attributable by (i) an increase of approximately 63.5%, or approximately HK$29.4 million to approximately HK$75.7 million in trading of imported cigarette films and (ii) a single trade transaction of photovoltaic materials amounting to approximately HK$6.2 million in 2015 (2014: Nil).

Manufacturing and sales of packaging materials

The turnover of manufacturing and sales of packaging materials was contributed by the sales of four packaging products which were (i) cigarette paper boxes (discontinued after the disposal of our subsidiary, Jiangsu Shuntai), (ii) non-cigarette-related films, (iii) anti-counterfeiting cigarette films, and (iv) other cigarette-related films.

For the year ended 31 December 2014, the sales of cigarette paper boxes amounted to approximately HK$304.7 million (2015: Nil).

An increase in turnover from manufacturing and sales of packaging materials (after excluding the effect from the sales of cigarette paper boxes) by approximately 7.1% from approximately HK$361.5 million for the year ended 31 December 2014 to approximately HK$387.2 million for the Year was mainly contributed by the growth in (i) sales of non-cigarette-related films by approximately 17.9%, from approximately HK$89.8 million for the year ended 31 December 2014 to approximately HK$105.9 million for the Year, and (ii) sales of other cigarette-related films by approximately 5.8%, from approximately HK$178.9 million for the year ended 31 December 2014 to approximately HK$189.3 million for the Year. After the commencement of the second production line in Ener Manufacturing Plant since December 2014, a better allocation of production mix of both other cigarette-related films and non-cigarette-related films had been achieved. The production efficiency and effectiveness had been significantly improved, leading to a betterment of sales plan which in turn enriched the sales of the whole segment. The sales of anti-counterfeiting cigarette films remain stable in 2015 when compared to 2014.

Development of properties

There was no sale of properties for the year ended 31 December 2014 and 2015. Pre-sales of properties has been commenced in 2016.

Generation of photovoltaic power

The Xuzhou Photovoltaic Power Plant has achieved on-grid connection and commenced power generation since 28 December 2015. The sales of photovoltaic power amounted to approximately HK$0.2 million for the Year.

GROSS PROFIT AND GROSS PROFIT MARGIN

Gross profit (after excluding the gross profit generated by sales of cigarette paper boxes) increased by approximately HK15.4 million, or approximately 13.3%, from approximately HK$115.6 million for the year ended 31 December 2014 to approximately HK$131.0 million for the Year. Gross profit margin (after excluding the gross profit generated by sales of cigarette paper boxes) decreased by 0.4% from approximately 28.3% for the year ended 31 December 2014 to approximately 27.9% for the Year.

DISTRIBUTION COSTS

The distribution costs are usually incurred in the sales of our other cigarette-related film and non-cigarette-related film. The distribution costs increased by approximately HK$2.9 million, or approximately 19.6%, from approximately HK$14.8 million for the year ended 31 December 2014 to approximately HK$17.7 million for the Year, primarily due to the increase of transportation and marketing expenses for our other cigarette-related film and non-cigarette-related film clients which was in line with the increase of the sales of those products.

ADMINISTRATIVE EXPENSES

The administrative expenses increased by approximately HK$13.0 million, or approximately 17.0%, from approximately HK$76.4 million for the year ended 31 December 2014 to approximately HK$89.4 million for the Year. The staff cost of Jiangsu Shuntai amounted to approximately HK$ 23.6 million for the year ended 31 December 2014 (2015: Nil). The net increase of approximately HK$29.5 million in staff costs (after excluding the staff costs incurred by Jiangsu Shuntai) was attributable to the hiring of experts for the new business of photovoltaic power generation, the share-based payment and a special bonus to senior management in 2015.

NET INCOME FROM DISPOSAL OF A SUBSIDIARY

The amount was the result of a disposal of a subsidiary, Jiangsu Shuntai in 2015.

FINANCE COSTS

The finance costs decreased by approximately 16.3% from approximately HK$18.4 million for the year ended 31 December 2014 to approximately HK$15.4 million for the Year, primarily due to the decrease in the PRC interest rate of financing and the repayment of bank loans during the Year when compared to 2014.

INCOME TAX

Income tax increased by approximately HK$15.1 million from approximately HK39.5 million for the year ended 31 December 2014 to approximately HK$54.6 million for the Year. The income tax of Jiangsu Shuntai amounted to approximately HK$ 21.4 million for the year ended 31 December 2014 (2015: Nil). The increase (after excluding the income tax incurred by Jiangsu Shuntai) was mainly due to the one-off tax payment for the gain on disposal of a subsidiary, Jiangsu Shuntai in 2015. The tax paid regarding the disposal amounted to approximately HK$36.7 million.

PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

As a result of the foregoing factors, profit attributable to equity holders of the Company for the Year increased by approximately 253.0% from approximately HK$92.5 million to approximately HK$326.5 million.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the cash and cash equivalent of the Group amounted to approximately HK$194.4 million (which were denominated in HKD, RMB and USD) compared with approximately HK$117.0 million as at 31 December 2014, representing an increase of approximately HK$77.4 million. Such increase was mainly due to the cash inflow from issuance of new ordinary shares of the Company during the Year and general operating activities.

BORROWINGS AND GEARING RATIO

Total interest-bearing borrowings of the Group as at 31 December 2015 were approximately HK$303.3 million (2014: approximately HK$509.9 million) denominated in RMB, United States dollar and HK dollar, of which approximately HK$233.4 million (2014: approximately HK$439.9 million) were current interest-bearing borrowings and approximately HK$69.9 million (2014: approximately HK$70.0 million) were non-current interest-bearing borrowings. Approximately 77.7% of the borrowings were fixed rate borrowings and approximately 22.3% of the borrowings were variable rate borrowings. The Group's gearing ratio, measured by net debt divided by shareholders' equity as at the end of the year and multiplied by 100%, decreased from approximately 72% as at 31 December 2014 to approximately 12.0% as at 31 December 2015. It was primarily due to the decrease of bank loans for working capital.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATE

The Group is exposed to currency risk primarily through sales and purchases made by the PRC subsidiaries which give rise to receivables, payables, cash balances and bank loans that are denominated in US dollars. Presently, the Group has no hedging policy with respect to the foreign exchange exposure.

As the functional currencies for all subsidiaries in the PRC are RMB, these subsidiaries are not exposed to any currency risk due to the exchange rate movement of RMB. For subsidiaries established outside of the PRC, they have no material financial assets and liabilities denominated in RMB. Accordingly, the Group's exposure to RMB currency risk is insignificant.

CAPITAL EXPENDITURE

During the Year, the Group's total capital expenditure amounted to approximately HK$196.5 million (2014: approximately HK$22.8 million), which was mainly used in the construction of a solar power plant amounting to approximately HK$152.5 million.

CHARGE ON ASSETS

As at 31 December 2015, the Group had pledged its fixed assets with net book value of approximately HK$163.0 million (31 December 2014: approximately HK$179.5 million) for the purpose of securing loans with carrying value of approximately HK$72.3 million (31 December 2014: approximately HK$199.0 million).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Disposal of the Equity Interest of Jiangsu Shuntai Packaging & Printing Science Technology Co., Ltd

On 15 January 2015, Sheen China Group Holdings Limited (the "**Vendor**"), a wholly-owned subsidiary of the Company, and Chinese Hongkong International Tobacco Group Co., Limited (the "**Purchaser**") entered into an equity transfer agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the 51% equity interest in Jiangsu Shuntai Packaging & Printing Science Technology Co., Ltd. (the "**Target Company**") at a consideration of RMB325.0 million which shall be satisfied in cash (the "**Disposal**"). Upon completion of the Disposal, the Company will not hold any interest in the Target Company and the Target Company will cease to be a subsidiary of the Company.

The Purchaser is a wholly-owned subsidiary of Shenzhen Jinjia Color Printing Group Co., Ltd. ("**Shenzhen Jinjia**"), which holds the remaining 49% equity interest in the Target Company before the Disposal and thus a substantial shareholder and a connected person of the Company before the Disposal. The Purchaser is an associate of Shenzhen Jinjia and hence a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). The Disposal therefore constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the reporting, announcement and the shareholders' approval requirements.

The Disposal was approved by the shareholders of the Company at the extraordinary general meeting held on 9 March 2015. On 16 April 2015, the registration of transfer of the equity interest of Jiangsu Shuntai with Jiangsu Adminstration for Industy and Commerce was completed.

For details of the Disposal, please refer to the announcements of the Company dated 26 January 2015, 9 March 2015 and 16 April 2015 and the circular of the Company dated 17 February 2015.

Approval for the Construction of a 15MW Photovoltaic Power Project in Wei Ning County, Jiangsu Province

On 30 April 2015, Xuzhou Sheentai New Energy Power Company Limited, an indirect wholly-owned subsidiary of the Company, has obtained approval from Xuzhou Development and Reform Commission (the "**First Approval**") for the construction of a 15 megawatts (MW) photovoltaic power project (the "**15MW Photovoltaic Power Project**"). The 15MW Photovoltaic Power Project is located in Wei Ji Town, Wei Ning County, Jiangsu Province, the PRC with an expected power capacity of 15MW. The total investment amount is approximately RMB 120,000,000. On 28 December 2015, the 15MW Photovoltaic Power Project has achieved on-grid connection and commenced power generation.

For further details, please refer to the announcements of the Company dated 30 April 2015 and 28 December 2015.

Acquisition of the Equity Interest of Rise Power Limited

On 12 October 2015, the Company (as purchaser), Li Xiu Yun (as vendor) and Mr. Bao Guang Qing, Mr. Du Jian Feng, Mr. Hu Yu Rui and Mr. Mei Jin Ping (together with Li Xiu Yun, as the guarantors) entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which Li Xiu Yun conditionally agreed to sell, and the Company conditionally agreed to purchase, the entire issued share capital of Rise Power Limited ("**Rise Power**") at the consideration of HK$90,000,000 (the "**Consideration**"), which shall be settled by the Company by way of issue of the convertible bond in the principal amount of HK$90,000,000 (the "**Convertible Bond**") to Li Xiu Yun (or her nominee) on the completion date. Upon completion, the Company will hold the entire issued share capital of Rise Power which will in turn indirectly own the entire equity interest in Shenzhen Yi Er Shan Photovoltaic Electricity Company Limited.

As all the relevant percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under the Sale and Purchase Agreement are less than 5% and the Consideration shall be satisfied by way of issue of the Convertible Bond, the Sale and Purchase Agreement and the transactions contemplated thereunder constitute a share transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements, but is exempt from shareholders' approval under Chapter 14 of the Listing Rules.

On 31 December 2015, the parties to the Sale and Purchase Agreement entered into the supplemental agreement to the Sale and Purchase Agreement to extend the long stop date for the transactions contemplated under the Sale and Purchase Agreement from 31 December 2015 to 30 June 2016 (or such later date as the parties to the Sale and Purchase Agreement may agree in writing).

For details of the Sale and Purchase Agreement, please refer to the announcements of the Company dated 12 October 2015 and 31 December 2015.

Approval for the Construction of another 15MW Photovoltaic Power Project in Wei Ning County, Jiangsu Province

On 4 November 2015, Xuzhou Sheentai New Energy Power Company Limited ("**Xuzhou Sheentai**"), an indirect wholly-owned subsidiary of the Company, has obtained approval from Xuzhou Development and Reform Commission for the construction of another 15 megawatts (MW) photovoltaic power project (the "**Second 15MW Photovoltaic Power Project**"). The Second 15MW Photovoltaic Power Project is located in Wei Ji Town, Wei Ning County, Jiangsu Province, the PRC with an expected power capacity of 15MW. The total investment amount is approximately RMB 120,000,000. As at 4 November 2015, together with the First Approval obtained on 30 April 2015, Xuzhou Sheentai is entitled to construct two photovoltaic power projects with an aggregate power capacity of 30 MWs.

For further details, please refer to the announcement of the Company dated 4 November 2015.

CONTINGENT LIABILITIES

As at 31 December 2015, the Group did not have any significant contingent liabilities (31 December 2014: Nil).

HUMAN RESOURCES

As at 31 December 2015, the Group employed 345 employees (as compared with 437 employees as at 31 December 2014) with total staff cost of approximately HK$67.5 million incurred for the Year (as compared with approximately HK$61.7 million for the year ended 31 December 2014). The Group's remuneration packages are generally structured with reference to market terms and individual merits. The Company has also adopted a per-IPO share option scheme and a share option scheme to provide incentive or reward to high-calibre employees and attract human resources that are valuable to the Group.

CONTINUING CONNECTED TRANSACTIONS

On 4 February 2015, Qingdao Ener Packaging Technology Co., Ltd. ("**Qingdao Ener**") (an indirect wholly owned subsidiary of the Company) entered into an agreement with Qingdao Justo Packaging Co., Ltd. ("**Qingdao Justo**") (the "**Agreement**"), pursuant to which Qingdao Justo shall purchase not more than 1,089.45 tonnes of cigarette films from Qingdao Ener for a period from the date of the Agreement until 31 December 2015 with a total consideration of not more than RMB24,891,556.04 (including value added tax) (equivalent to approximately HK$30,840,637.93).

As at the date of the Agreement, the equity interests of Qingdao Justo were owned indirectly as to 30% by Shenzhen Jinjia Color Prinitnig Group Co., Ltd. ("**Shenzhen Jinjia**"), while Shenzhen Jinjia also held 49% equity interest in Jiangsu Shuntai Packaging & Printing Science Technology Co., Ltd. ("**Jiangsu Shuntai**") (the then indirect 51% owned subsidiary of the Company). Qingdao Justo was hence an associate of Shenzhen Jinjia and thus a connected person of the Company for the purpose of the Listing Rules. Accordingly, the Agreement and the transactions contemplated thereunder constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules for the Agreement was less than 5%, the Agreement was subject to the annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules, but was exempt from the circular, independent financial advice and shareholders' approval requirements.

Upon the completion of the disposal of the 51% equity interest in Jiangsu Shuntai (details of which are set out in the section headed "Significant investment, material acquisitions and disposal of subsidiaries" above), the Company does not hold any interest in Jiangsu Shuntai. Accordingly, Qingdao Justo has ceased to be an associate of Shenzhen Jinjia and a connected person of the Company.

FINAL DIVIDEND

The Board recommended a final dividend of HK0.02 per share for the Year (2014: HK$0.08 per share before the effect of the Share Subdivision).

SUBSEQUENT EVENTS

Acquisition of the Entire Equity Interest of Treasure Cloud Limited

On 17 March 2016, the Company and Bloom Shine Investments Limited entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to purchase, and Bloom Shine Investments Limited conditionally agreed to sell, the entire equity interest in Treasure Cloud Limited for a total consideration of HK$236,160,000 which shall be satisfied by the Company issuing a convertible bond in the principal amount of HK$236,160,000.

For further details, please refer to the announcements of the Company dated 17 March 2016 and 18 March 2016.

PROSPECT

The packaging market in PRC is still competitive but the Group has still realized a growth in its packaging segment in 2015 and are expecting a growth in 2016. In 2015, the Group has obtained approval for the construction of a total of 30 megawatts (MW) photovoltaic power project located in Wei Ji Town, Wei Ning County, Jiangsu Province, the PRC. Among the 30 MW photovoltaic power project, the power project has achieved on-grid connection and commenced power generation in the amount of 15MW in late December 2015. The generation of the remaining 15MW is expected to be achieved in 2016. The properties developed by the Group in Xuzhou are now on pre-sale stage and the result is gratifying. In March 2016, the Group has identified another investment opportunity in cloud computing market in which the Group entered an agreement to acquire 15 data centers equipped with cloud technology. After the completion of the acquisition, the Group will build and/or further acquire more data centers. The Directors are optimistic about the prospect of the cloud computing industry in PRC. The Company will also continue to explore opportunities regarding tobacco packaging available in the PRC in order to diversify its business portfolio.

CORPORATE GOVERNANCE PRACTICE

The Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability. The Directors continuously observe the principles of good corporate governance in the interests of shareholders and devote considerable effort to identifying and formalizing best practice.

The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the "**Code**") as set out in Appendix 14 to the Listing Rules.

The Board considered that the Company had complied with the code provisions of the Code during the Year except for the deviation from code provision A.1.8 of the Code as stated below.

Under code provision A.1.8 of the Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. With regular, timely and effective communications among the Directors and the management of the Group, the management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of actual litigation against the Directors is relatively low. The Company will review and consider to make such arrangement as and when it thinks necessary.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the required standard for securities transactions by Directors. The Company has made specific enquiries of all Directors and all Directors confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding Directors, securities transactions for the Year and up to the date of this announcement.

CLOSURE OF THE REGISTER OF MEMBERS

For determining entitlement to attend the forthcoming annual general meeting ("**AGM**"), the register of members of the Company will be closed from 10 May 2016 (Tuesday) to 11 May 2016 (Wednesday), both days inclusive, during which period no transfer of Shares will be registered. The record date will be 11 May 2016 (Wednesday). In order to qualify for attending the AGM, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on 9 May 2016 (Monday).

For determining entitlement to the proposed final dividend (if approved at the AGM), the register of members of the Company will be closed from 17 May 2016 (Tuesday) to 18 May 2016 (Wednesday), both days inclusive. The record date will be 18 May 2016 (Wednesday). In order to qualify for the entitlement of the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on 16 May 2016 (Monday). If the resolution for the proposed final dividend is passed at the AGM, the proposed final dividend will be payable on or about 26 May 2016 (Thursday).

AUDIT COMMITTEE

The Company established the audit committee (the "**Audit Committee**") on 22 June 2012 with written terms of reference which are in compliance with the code provisions of the Code. The Audit Committee currently has three members comprising Mr. Lo Wa Kei, Roy (being the chairman of the Audit Committee), Ms. Fan Qing and Mr. Fong Wo, Felix, all being independent non-executive Directors. The Group's final results for the year ended 31 December 2015 had been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee had also reviewed this announcement, and confirmed that this announcement has complied with the Listing Rules.

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

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the Year.

PUBLICATION OF FINAL RESULTS

The financial figures as set forth in this announcement have been compared by the Company's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft consolidated financial statements for the Year and the amounts were found to be consistent. The work performed by KPMG in this respect did not constitute an audit, review or other 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 KPMG.

This announcement will be published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company at www.sheentai.com. The annual report for the Year containing all the information required by the Listing Rules will be dispatched to shareholders and published on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Sheen Tai Holdings Group Company Limited
Guo Yumin
Chairman

Hong Kong, 30 March 2016

As at the date of this announcement, the executive Directors are Mr. Guo Yumin, Ms. Xia Yu, Mr. Zeng Xiangyang, Mr. Guo Cheng and Mr. Bau Siu Fung and the independent non-executive Directors are Ms. Fan Qing, Mr. Lo Wa Kei, Roy and Mr. Fong Wo, Felix.