

News Release

31 March 2015

AMVIG Holdings Limited

AMVIG Holdings Limited has released its results for the year ended December 31, 2014.

Full details are contained in the AMVIG Holdings Limited announcement to the Hong Kong Stock Exchange (a copy of which is attached to this release).

This release is provided for information purposes.

ENDS

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AMVIG HOLDINGS LIMITED

澳 科 控 股 有 限 公 司 *

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2300)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

FINANCIAL HIGHLIGHTS

- Turnover decreased by 5.5% to HK\$3,555 million
- Gross profit remained stable at HK\$1,098 million
- Gross profit margin increased from 29.2% to 30.9%
- The underlying profit attributable to owners of the Company (excluding exchange loss of HK\$52.8 million (2013: exchange gain of HK\$42.7 million)) increased by 18.6% from HK\$349 million in 2013 to HK\$414 million in 2014
- However, due to the exchange loss of HK\$52.8 million, profit attributable to owners of the Company decreased by 7.7% from HK\$392 million to HK\$362 million
- Basic earnings per share decreased by 7.8% from HK42.5 cents to HK39.2 cents
- Proposed final dividend is HK7.5 cents per share and proposed final special dividend is HK3.7 cents per share. Total dividends paid during or proposed for the year amounted to HK56.5 cents per share or HK\$520.7 million. Please see note 8 for details.

RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of AMVIG Holdings Limited (the “**Company**” or “**AMVIG**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the “**Group**”) for the year ended 31 December 2014 (the “**Reporting Period**”), together with the comparative results for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Note	2014 HK\$'000	2013 HK\$'000
Turnover	3	3,555,039	3,762,377
Cost of goods sold		<u>(2,456,630)</u>	<u>(2,663,534)</u>
Gross profit		1,098,409	1,098,843
Other income	4	72,868	90,742
Selling and distribution costs		(141,988)	(181,566)
Administrative expenses		(286,372)	(267,283)
Other operating expenses		(53,640)	(1,089)
Finance costs		(81,784)	(65,510)
Share of profit of associates		<u>37,019</u>	<u>41,523</u>
Profit before tax	5	644,512	715,660
Income tax expenses	6	<u>(237,098)</u>	<u>(276,130)</u>
Profit for the year		<u>407,414</u>	<u>439,530</u>
Attributable to:			
Owners of the Company		361,567	392,325
Non-controlling interests		<u>45,847</u>	<u>47,205</u>
Earnings per share			
– Basic (HK cents)	7a	<u>39.2</u>	<u>42.5</u>
– Diluted (HK cents)	7b	<u>N/A</u>	<u>N/A</u>
Dividends	8	<u>520,674</u>	<u>156,804</u>
Underlying profit attributable to owners of the Company is calculated as follows:			
Profit attributable to owners of the Company		361,567	392,325
Add: Net exchange loss/(gain)		<u>52,755</u>	<u>(42,723)</u>
Underlying profit attributable to owners of the Company		<u>414,322</u>	<u>349,602</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 HK\$'000	2013 HK\$'000
Profit for the year	<u>407,414</u>	<u>439,530</u>
Other comprehensive income:		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>(112,958)</u>	<u>108,748</u>
Other comprehensive income for the year, net of tax	<u>(112,958)</u>	<u>108,748</u>
Total comprehensive income for the year	<u><u>294,456</u></u>	<u><u>548,278</u></u>
Attributable to:		
Owners of the Company	254,142	495,470
Non-controlling interests	<u>40,314</u>	<u>52,808</u>
	<u><u>294,456</u></u>	<u><u>548,278</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Note	2014 HK\$'000	2013 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		666,019	706,385
Prepaid land lease payments		33,549	22,182
Goodwill		2,649,381	2,728,611
Interests in associates		121,427	141,203
Available-for-sale financial assets		1,722	1,766
Loan receivables and other assets		242,508	255,639
		<u>3,714,606</u>	<u>3,855,786</u>
Current assets			
Inventories		318,127	419,044
Trade and other receivables	9	745,890	622,888
Prepaid land lease payments		994	755
Prepayments and deposits		30,462	37,756
Pledged bank deposits		28,527	5,375
Bank and cash balances		2,908,442	2,269,764
		<u>4,032,442</u>	<u>3,355,582</u>
Total assets		<u><u>7,747,048</u></u>	<u><u>7,211,368</u></u>
EQUITY			
Capital and reserves			
Share capital		9,215	9,231
Reserves		3,698,688	3,945,518
		<u>3,707,903</u>	<u>3,954,749</u>
Equity attributable to owners of the Company			
Non-controlling interests		223,794	215,892
		<u>3,931,697</u>	<u>4,170,641</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings		2,557,237	1,540,124
Deferred tax liabilities		14,488	18,539
		<u>2,571,725</u>	<u>1,558,663</u>

	<i>Note</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>10</i>	1,210,644	939,380
Current tax liabilities		32,982	105,300
Current portion of bank borrowings		–	437,384
		<u>1,243,626</u>	<u>1,482,064</u>
Total liabilities		<u>3,815,351</u>	<u>3,040,727</u>
Total equity and liabilities		<u>7,747,048</u>	<u>7,211,368</u>
Net current assets		<u>2,788,816</u>	<u>1,873,518</u>
Total assets less current liabilities		<u>6,503,422</u>	<u>5,729,304</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS AND REQUIREMENTS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2014. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2014. The directors anticipate that the new and revised HKFRSs will be adopted in the Group’s consolidated financial statements when they become effective. The Group assessed, where applicable, the potential effect of all new and revised HKFRSs that will be effective in future periods but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company’s first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRSs and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These 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”).

These financial statements have been prepared under the historical cost convention.

3. TURNOVER AND SEGMENT INFORMATION

The Group has two reportable segments under HKFRS 8 as follows:

- Printing of cigarette packages
- Manufacturing of transfer paper and laser film

The Group’s reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those of the Group.

Segment profits or losses do not include corporate administrative expenses. Segment assets do not include goodwill, loan receivables, available-for-sale financial assets, prepayments and deposits and other receivables for general administrative use. Segment liabilities do not include bank borrowings, other payables and accruals for general administrative use.

Information about reportable segment profit, assets and liabilities:

	Printing of cigarette packages 2014 HK\$'000	Printing of cigarette packages 2013 HK\$'000	Manufacturing of transfer paper and laser film 2014 HK\$'000	Manufacturing of transfer paper and laser film 2013 HK\$'000	Total 2014 HK\$'000	Total 2013 HK\$'000
Year ended 31 December						
Revenue from external customers	3,516,907	3,716,141	38,132	46,236	3,555,039	3,762,377
Segment profit	708,321	575,880	6,760	9,279	715,081	585,159
Interest income	31,688	21,376	343	118	32,031	21,494
Depreciation and amortisation	(106,089)	(91,411)	(952)	(920)	(107,041)	(92,331)
Share of profit of associates	32,476	35,067	4,543	6,456	37,019	41,523
Income tax expenses	(199,643)	(274,002)	(462)	(601)	(200,105)	(274,603)
Additions to segment non-current assets	88,362	69,683	390	471	88,752	70,154

As at 31 December

Segment assets	3,115,057	3,248,040	68,182	74,484	3,183,239	3,322,524
Segment liabilities	(866,594)	(972,631)	(3,126)	(1,353)	(869,720)	(973,984)
Interests in associates	92,160	102,526	29,267	38,677	121,427	141,203

Reconciliation of reportable segment profit or loss, assets and liabilities:

	2014 HK\$'000	2013 HK\$'000
Profit or loss		
Total profit or loss of reportable segments	715,081	585,159
Other profit or loss	(307,667)	(145,629)
Consolidated profit for the year	407,414	439,530
Assets		
Total assets of reportable segments	3,183,239	3,322,524
Goodwill	2,649,381	2,728,611
Loan receivables and other assets	234,681	240,488
Available-for-sale financial assets	1,722	1,766
Other assets	1,678,025	917,979
Consolidated total assets	7,747,048	7,211,368
Liabilities		
Total liabilities of reportable segments	(869,720)	(973,984)
Other liabilities	(2,945,631)	(2,066,743)
Consolidated total liabilities	(3,815,351)	(3,040,727)

Geographical information:

Over 90% of the Group's revenue and assets are derived from customers and operations based in the People's Republic of China ("PRC") and accordingly, no further analysis of the Group's geographical information is disclosed.

Revenue from major customers:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Printing of cigarette packages		
Customer A	1,421,166	1,537,997
Customer B	594,213	570,851
Customer C	548,177	651,607
Customer D	474,497	423,175

4. OTHER INCOME

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Gain on sales of scrapped materials	4,126	5,088
Net gain on disposals of property, plant and equipment	192	–
Interest income	56,990	38,464
Compensation received	3	171
Government grants received		
– Unconditional grants relating to expenses item	7,867	2,236
Net exchange gain	–	42,723
Sundry income	3,690	2,060
	72,868	90,742

5. PROFIT BEFORE TAX

The Group's profit before tax is stated after charging/(crediting) the following items:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Cost of goods sold	2,456,630	2,663,534
Depreciation and amortisation	110,563	96,601
Staff costs including Directors' emoluments	372,758	360,637
Net exchange loss/(gain)	52,755	(42,723)

6. INCOME TAX EXPENSES

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
PRC corporate income tax and withholding tax		
– Provision for the year	245,759	282,032
– Over-provision in prior year	(6,041)	(3,113)
Other deferred tax	(2,620)	(2,789)
	237,098	276,130

No provision for Hong Kong Profits Tax is required since the Group has no assessable profit in Hong Kong for the years.

The relevant tax rates for the Company's PRC subsidiaries before the tax holiday range from 15% to 25%.

7. EARNINGS PER SHARE

- (a) Basic earnings per share of HK39.2 cents (2013: HK42.5 cents) is calculated based on the profit attributable to the owners of the Company for the year of approximately HK\$361,567,000 (2013: HK\$392,325,000) and the weighted average number of shares of approximately 921,549,000 ordinary shares in issue during the year (2013: 923,129,000 shares).
- (b) No diluted earnings per share are presented as the Company did not have any potentially diluted ordinary shares during the two years ended 31 December 2014.

8. DIVIDENDS

The dividends paid during the year ended 31 December 2014 were approximately HK\$75,567,000 being final dividend of HK8.2 cents per share for year 2013, approximately HK\$75,567,000 being interim dividend of HK8.2 cents per share for year 2014 and approximately HK\$37,783,000 being interim special dividend of HK4.1 cents per share for year 2014. A further special dividend of approximately HK\$304,111,000 being second special dividend of HK33 cents per share for the year 2014 was declared and recognized as liabilities at 31 December 2014. The dividends paid during the year ended 31 December 2013 were approximately HK\$84,930,000 being final dividend of HK9.2 cents per share for year 2012 and approximately HK\$81,237,000 being interim dividend of HK8.8 cents per share for year 2013. A final dividend of HK7.5 cents per share and a final special dividend of HK3.7 cents per share in respect of 2014, amounted to approximately HK\$69,116,000 and HK\$34,097,000 respectively, are proposed by the Board subject to approval by the shareholders at the forthcoming Annual General Meeting. The proposed final dividends and proposed final special dividends are not recognized as liabilities at 31 December 2014.

	2014 HK\$'000	2013 HK\$'000
Interim dividend paid of HK8.2 cents (2013: HK8.8 cents) per share	75,567	81,237
Interim special dividend: HK4.1 cents (2013: Nil) per share	37,783	—
Second interim special dividend: HK33 cents (2013: Nil) per share	304,111	—
Proposed final dividend of HK7.5 cents (2013: HK8.2 cents) per share	69,116	75,567
Proposed final special dividend of HK3.7 cents (2013: Nil) per share	34,097	—
	<u>520,674</u>	<u>156,804</u>

9. TRADE AND OTHER RECEIVABLES

The general credit terms of the Group granted to its trade customers range from one month to three months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management. An aging analysis of trade receivables, based on the invoice date, net of allowances, is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current to 30 days	392,008	321,319
31 to 90 days	202,547	108,951
Over 90 days	<u>32,623</u>	<u>23,761</u>
Trade receivables	627,178	454,031
Bills receivables	37,941	101,224
Other receivables – an associate	59,596	54,798
Other receivables – others	<u>21,175</u>	<u>12,835</u>
	<u>745,890</u>	<u>622,888</u>

10. TRADE AND OTHER PAYABLES

An aging analysis of trade payables, based on the date of invoices, is as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current to 30 days	281,600	258,067
31 to 90 days	171,781	195,762
Over 90 days	<u>10,411</u>	<u>26,600</u>
Trade payables	463,792	480,429
Bills payables – secured	41,305	–
Dividend payable	304,111	–
Other payables	<u>401,436</u>	<u>458,951</u>
	<u>1,210,644</u>	<u>939,380</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Although there was a slight drop in turnover during the Reporting Period, gross profit remained stable. This was contributed by the Group's efforts in cost cutting and improving production efficiency in recent years. Additionally, the Group's product mix has also improved. The tendering process implemented by the tobacco groups has been rationalized to accommodate suppliers who have the ability to deliver good services and quality products, and not merely awarding contracts to the lowest bidders.

Net profit attributable to owners of the Company, however, dropped from HK\$392 million to HK\$362 million due to an exchange loss recognized during the Reporting Period as Renminbi depreciated against Hong Kong dollars, the denominating currency of the Group's borrowings. Excluding such exchange loss, the underlying profit increased by 18.6% from HK\$349 million in 2013 to HK\$414 million in 2014.

The operational cash flow of the Group continues to be strong. During the Reporting Period, the net operational cash inflow of the Group amounted to HK\$378 million. In view of the strong financial position, in addition to the normal interim and final dividends, the Board has announced two interim special dividends amounted to HK37.1 cents per share in total and proposed a final special dividend of HK3.7 cents per share during the Reporting Period.

FINANCIAL REVIEW

Turnover

During the Reporting Period, the Group has recorded a slight drop in turnover of 5.5% from HK\$3,762 million to HK\$3,555 million. The drop is mainly due to a shift in product mix which resulted in a slight drop in volume. Product prices remain stable.

Gross Profit

During the Reporting Period, the overall gross profit margin was 30.9%, which represents a rise of 1.7 percentage points when compared to that of last year. The improvement in gross profit margin was due to an improvement in product mix together with a better cost structure resulted from cost savings efforts made during recent years. Gross profit amount remained stable at about HK\$1,098 million despite a drop in turnover.

Other Income

In 2013, there was an exchange gain of HK\$42.7 million recognized on revaluing borrowings denominated in Hong Kong dollars against Renminbi, the Group's functional currency. In the Reporting Period, Renminbi depreciated against Hong Kong dollars, resulting in an exchange loss of HK\$52.8 million. Such exchange loss was reclassified as other operating expenses. The absence of exchange gain in the Reporting Period caused a decrease in other income. The exchange loss, however, was partially offset by the increase in interest income of HK\$18.5 million from HK\$38.5 million in 2013 to HK\$57.0 million in 2014 due to an increase in average cash and bank balances throughout the Reporting Period.

Operating Costs

Operating costs (including administrative expenses and selling and distribution costs) decreased by HK\$20.4 million from HK\$448.8 million in 2013 to HK\$428.4 million in 2014. Operating costs expressed as a percentage of turnover remained stable and increased slightly from 11.9% in 2013 to 12.0% in the Reporting Period. The decrease in operating costs was mainly due to management ability in containing costs despite inflationary pressure in China.

Other Operating Expenses

The exchange losses on revaluing borrowing denominated in Hong Kong dollars against depreciating Renminbi amounted to HK\$52.8 million during the Reporting Period was classified under other operating expenses. There was no such exchange loss in 2013.

Finance Costs

Finance costs increased from HK\$65.5 million in 2013 to HK\$81.8 million for the Reporting Period. The increase was mainly due to the commitment fees incurred in refinancing the Group's banking facilities in the second half of 2014. The increase was offset by the reduction in interest rate on the new banking facilities obtained.

Share of Profit of Associates

Share of profit of associates decreased from HK\$41.5 million in 2013 to HK\$37.0 million for the Reporting Period. The drop in share of profit of associates was mainly due to the provision of underprovided tax in prior year in our Nanjing Plant during the Reporting Period.

Taxation

The effective tax rate of the Group reduced by 1.8 percentage points from 38.6% in 2013 to 36.8% in 2014. This was mainly due to certain tax concessions obtained during the Reporting Period. The effective tax rate of the Group was higher than the PRC statutory enterprise income tax rate of 25% due to non-tax deductibility of certain expenses and exchange loss incurred/recognized.

Profit attributable to Owners of the Company

The Group achieved a profit attributable to owners of the Company of HK\$362 million during the Reporting Period, representing a decrease of 7.7% from HK\$392 million in 2013. The decrease was mainly due to an exchange loss of HK\$52.8 million (2013: exchange gain of HK\$42.7 million). Excluding the impact of exchange differences, the Group's underlying net profit increased by 18.6% from HK\$349 million in 2013 to HK\$414 million in 2014.

Segmental Information

During the Reporting Period, substantially all the turnover was derived from printing of cigarette packages.

Dividends

The Board recommended the payment of a final dividend of HK7.5 cents per share (2013: HK8.2 cents) and a final special dividend of HK3.7 cents per share (2013: Nil) for the year ended 31 December 2014 to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 10 July 2015. Subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting of the Company, the said final dividend and final special dividend will be paid to the Company's shareholders on or around 31 July 2015.

Financial Position

As at 31 December 2014, total assets of the Group amounted to HK\$7,747 million and its total liabilities amounted to HK\$3,815 million, representing an increase of HK\$536 million and HK\$775 million, respectively as compared to 31 December 2013.

Borrowings and Banking Facilities

As at 31 December 2014, the Group had gross interest-bearing borrowings of approximately HK\$2,557 million (31 December 2013: HK\$1,978 million), representing an increase of HK\$580 million over the last year end. The increase of bank borrowings was due to the new banking facilities of up to HK\$2.6 billion obtained in October 2014, which refinanced the old banking facilities with amount up to HK\$2 billion.

All of the interest-bearing borrowings are unsecured, denominated in Hong Kong dollars and bear interest at floating rates. The maturity profile of the Group's gross interest-bearing borrowings is as follows:

	2014 HK\$'000	2013 HK\$'000
On demand or within one year	–	437,384
In the second year	–	741,693
In the third to fifth years, inclusive	2,557,237	798,431
	2,557,237	1,977,508
Less: Amount due for settlement within 12 months (shown under current liabilities)	–	(437,384)
Amount due for settlement after 12 months	2,557,237	1,540,124

As of 31 December 2014, the Group did not have any committed but undrawn banking facilities (31 December 2013: Nil).

Capital Structure

As at 31 December 2014, the Group had net assets of HK\$3,932 million comprising non-current assets of HK\$3,715 million, net current assets of HK\$2,789 million and non-current liabilities of HK\$2,572 million.

Gearing ratio, measured by total interest-bearing borrowings as a percentage of equity, increased from 47.4% as at 31 December 2013 to 65.0% as at 31 December 2014. Such increase was primarily due to the refinancing of banking facilities during the second half of 2014 for additional working capital use.

Charges on the Group's Assets

As at 31 December 2014, assets with carrying amount of approximately HK\$28.5 million (31 December 2013: HK\$5 million) were pledged to banks in respect of banking facilities granted to the Group.

Contingent Liabilities

As at 31 December 2014, the Group did not have any significant contingent liabilities (31 December 2013: Nil).

Capital Commitments

As at 31 December 2014, the Group had capital commitments contracted but not provided for in respect of acquisition of property, plant and equipment of HK\$55 million (31 December 2013: HK\$43 million).

Working Capital

The current ratio increased from 226% at last year end to 324% at 31 December 2014 due to the increase in cash and bank balance resulted from operating cash flows, and the improvement in loan profile with no borrowing falling due within the next twelve months as at 31 December 2014 after the refinancing exercise in October 2014.

Foreign Currency Exposure

During the Reporting Period, the Group's business transactions were mainly denominated in Renminbi. All bank borrowings were denominated in Hong Kong dollars. Since the functional currency of the Company is Renminbi, the Group has foreign currency exposure on Hong Kong dollars related to its bank borrowings.

Treasury Policies

The Group adopts a prudent approach with respect to treasury and funding policies, with a focus on risk management and transactions that are directly related to the underlying business of the Group.

Acquisition and Disposal

During the Reporting Period, there was no material acquisition and disposal of subsidiaries or associated companies by the Group.

PROSPECTS

Going forward, the tobacco market will continue to exhibit slow growth with improvement in product mix. As a result, the demand for deluxe tobacco packages with elegant designs will sustain. In addition, the tobacco packaging market has become more transparent through the implementation of tendering during the recent years. The tobacco groups will favor scalable suppliers with production and design capabilities to produce products with premium qualities. Smaller suppliers with less resources and network may exit the market, providing the Group with ample opportunities for organic and inorganic growth.

Internally, the management will continue to improve the operations through the implementation of benchmarking system, profit improvement programs and enterprise reporting systems. To counteract the general inflationary pressure, the Group will also step up its efforts in automating the production process. With an improved cost structure, together with a more stable market environment, the management is cautiously optimistic about the prospects of the Group.

While the Group is committed to producing high quality products in the most productive manner, work safety is equally important. Additional efforts were made to strive to achieve zero loss time injuries. Specific measures and key performance indicators were established to measure plant management's effectiveness in ensuring safety on the shop floors. Such measures include trainings and continuous communication with co-workers, as well as the establishment of supervisory committees to ensure safety policies are properly implemented.

Management would like to take this opportunity to show our appreciation to the great support from all our shareholders, suppliers and customers. We would also like to extend our gratitude to all our staff for their continuous dedication, commitment and contribution to the development of the Group during this turbulent time. The Group will strive to overcome the difficulties and challenges ahead to create higher return to our shareholders.

REMUNERATION POLICIES AND EMPLOYEE INFORMATION

As at 31 December 2014, the Group had 2,347 full time employees in Hong Kong and the PRC. Total staff costs (including Directors' emoluments and employee share-based compensation benefits) amounted to approximately HK\$373 million (2013: HK\$361 million) for the year. All full time salaried employees, except for factory workers and contract employees, are being paid on a monthly basis, plus a discretionary performance bonus. Factory workers are being remunerated based on a basic wage plus production incentive. The Group ensures that the pay levels of its employees are competitive and employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system. In addition to salaries, the Group provides staff benefits including medical insurance and contributions to staff's provident fund. Share options, awards and bonuses are also available to employees of the Group at the discretion of the Board and depending upon the financial performance of the Group.

In view of the resignation of Mr. Ralf Klaus Wunderlich as non-executive Director and in recognition of the performance of Mr. Liu Shun Fai, the existing Chief Financial Officer and the Company Secretary of the Company, Mr. Liu Shun Fai was appointed as executive Director with effect from 30 March 2015.

SUPPLEMENTARY INFORMATION

Purchase, sale or redemption of the Company's listed securities

The Company repurchased a total of 424,000 shares on the Stock Exchange during the Reporting Period. Details of the repurchases are as follows:

Date of repurchases	Total number of shares repurchased	Repurchase price per share		Total amount paid HK\$
		Highest HK\$	Lowest HK\$	
2 January 2014	276,000	3.72	3.70	1,022,080
3 January 2014	118,000	3.75	3.69	440,840
6 January 2014	30,000	3.70	3.57	108,260
	<u>424,000</u>			<u>1,571,180</u>

The repurchased shares above were cancelled on 28 January 2014.

The repurchase of the Company's shares during the year was effected by the Directors pursuant to the repurchase mandate granted by the shareholders of the Company at the annual general meeting held on 13 June 2013, with a view to benefiting shareholders as a whole by enhancing the net asset value per share and earnings per share of the Group.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

Closure of register of members

The register of members of the Company will be closed during the following periods:

1. from Tuesday, 16 June 2015 to Thursday, 18 June 2015 (both days inclusive), during which period no transfers of shares will be registered, for ascertaining shareholders' entitlement to attend and vote at the forthcoming Annual General Meeting to be held on or about Friday, 19 June 2015. In order to be eligible to attend and vote at the forthcoming Annual General Meeting, all transfer shares of the Company 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, not later than 4:00 p.m. on Monday, 15 June 2015; and
2. from Thursday, 9 July 2015 to Friday, 10 July 2015 (both days inclusive), during which period no transfers of shares will be registered, for ascertaining shareholders' entitlement to receive the proposed final dividend and final special dividend for the year ended 31 December 2014. In order to be eligible to receive the proposed final dividend and final special dividend, all transfer shares of the Company 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, not later than 4:00 p.m. on Wednesday, 8 July 2015.

Corporate governance

The Company continues to be committed to meet the requirements of the corporate code of governance and to place importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and protection of shareholders' interests.

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the Reporting Period.

Audit Committee

The Audit Committee of the Company, comprising the three independent non-executive Directors, namely Mr. Tay Ah Kee, Keith (Chairman of the Audit Committee), Mr. Au Yeung Tin Wah, Ellis and Mr. Oh Choon Gan, Eric, has reviewed with senior management of the Group and external auditors the accounting standards and practices adopted by the Group and discussed auditing, internal control and financial reporting process including the review of the Company's consolidated financial statements for the Reporting Period.

Preliminary announcement of the results agreed by Auditors

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditors, RSM Nelson Wheeler, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2014. The work performed by RSM Nelson Wheeler in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by RSM Nelson Wheeler on the preliminary announcement.

By the order of the Board
AMVIG Holdings Limited
Chan Chew Keak, Billy
Chairman

Hong Kong, 30 March 2015

As at the date of this announcement, the Board comprised Mr. Chan Chew Keak, Billy as non-executive Chairman, Mr. Chan Sai Wai, Mr. Ng Sai Kit and Mr. Ge Su and Mr. Liu Shun Fai as executive Directors, Mr. Jerzy Czubak as non-executive Director and Mr. Tay Ah Kee, Keith, Mr. Au Yeung Tin Wah, Ellis and Mr. Oh Choon Gan, Eric as independent non-executive Directors.

* For identification purpose only