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KTP HOLDINGS LIMITED
（港台集團有限公司）*

(Incorporated in Bermuda with limited liability)

(Stock Code: 645)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2011

The board of directors (the "Board") of KTP Holdings Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st March 2011 together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st March 2011

	Notes	**2011** ***US$'000***	2010 *US$'000*
Turnover	*2*	**29,099**	18,082
Cost of sales		**(26,804)**	(17,248)
Gross profit		**2,295**	834
Other income	*3*	**1,441**	810
Distribution expenses		**(253)**	(242)
Administrative expenses		**(3,100)**	(2,480)
Other gains, net	*4*	**462**	480
Gain on disposal of subsidiaries		—	2,893
Profit before tax	*5*	**845**	2,295
Income tax expense	*6*	**(48)**	—
Profit for the year attributable to owners of the Company		**797**	2,295
Other comprehensive (expense) income			
Reclassification adjustment for the cumulative gain included in profit or loss upon disposal of foreign operation		—	(4)
Gain on fair value changes of available-for-sale financial assets		—	8
Reclassification adjustment for the cumulative gain included in profit or loss upon disposal of available-for-sale financial assets		**(8)**	—
Other comprehensive (expense) income for the year		**(8)**	4
Total comprehensive income for the year attributable to owners of the Company		**789**	2,299
		US cents	US cents
Earnings per share — basic and diluted	*8*	**0.2**	0.7

* *For identification purpose only*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st March 2011

	Notes	**2011**	2010
		US$'000	*US$'000*
Non-current assets			
Property, plant and equipment		**428**	766
Prepaid lease payments on land use rights		—	85
		428	851
Current assets			
Inventories		**5,306**	4,106
Trade receivables	*9*	**3,983**	1,935
Deposits, prepayments and other receivables		**252**	236
Prepaid lease payments on land use rights		—	85
Available-for-sale financial assets		—	452
Held for trading investments		—	5,273
Cash held at a non-bank financial institution		—	554
Bank balances and cash		**31,272**	24,594
		40,813	37,235
Current liabilities			
Trade payables	*10*	**2,304**	852
Accruals and other payables		**2,180**	1,314
Tax payable		**48**	—
		4,532	2,166
Net current assets		**36,281**	35,069
Total assets less current liabilities		**36,709**	35,920
Capital and reserves			
Share capital		**440**	440
Reserves		**36,269**	35,480
Total equity		**36,709**	35,920

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

Application of new and revised standards, amendments and interpretations

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
Hong Kong Accounting Standard ("HKAS") 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
Hong Kong — Interpretation ("Int") 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Hong Kong (International Financial Reporting Interpretations Committee) ("HK (IFRIC)") — Int 17	Distributions of Non-cash Assets to Owners

HKFRS 3 (Revised) Business Combinations

The Group applies HKFRS 3 (Revised) Business Combinations prospectively to business combinations for which the acquisition date is on or after 1st April 2010. The requirements in HKAS 27 (Revised) Consolidated and Separate Financial Statements in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1st April 2010.

As there was no transaction during the current year in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the consolidated financial statements of the Group for the current or prior accounting periods.

Results, of the Group in future periods, may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The adoption of the other new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New or revised standards, amendments and interpretations issued but not yet effective

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for the amendments to HKFRS 3 (Revised in 2008), HKFRS 7, HKAS 1 and HKAS 28[1]
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[2]
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[4]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[6]
HKFRS 11	Joint Arrangements[6]
HKFRS 12	Disclosure of Interests in Other Entities[6]
HKFRS 13	Fair Value Measurement[6]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (2011)	Separate Financial Statements[6]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[6]
HK (IFRIC) — Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[3]
HK (IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1st July 2010 or 1st January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1st July 2010.
3 Effective for annual periods beginning on or after 1st January 2011.
4 Effective for annual periods beginning on or after 1st July 2011.
5 Effective for annual periods beginning on or after 1st January 2012.
6 Effective for annual periods beginning on or after 1st January 2013.

HKFRS 9 Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1st January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning on 1st April 2013 and that the application of the new standard will have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to HKFRS 7 titled Disclosures — Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. To date, the Group has not entered into transactions involving transfers of financial assets. However, if the Group enters into any such transactions in the future, disclosures regarding those transfers may be affected.

HKAS 24 Related Party Disclosures (Revised in 2009) modifies the definition of a related party and simplifies disclosures for government-related entities. The disclosure exemptions introduced in HKAS 24 (Revised in 2009) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods because some investees of the key management personnel that did not previously meet the definition of a related party may come within the scope of the standard.

HK (IFRIC) — Int 19 provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the Group has not entered into transactions of this nature. However, if the Group does enter into any such transactions in the future, HK (IFRIC) — Int 19 will affect the required accounting. In particular, under HK (IFRIC) — Int 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. TURNOVER AND SEGMENT INFORMATION

Turnover represents revenue arising on gross invoiced sales of athletic and sports leisure footwear products, net of returns, discounts and sales related taxes.

(a) Segment revenues, results, assets and liabilities

The Group's operating segment based on information reported to the chief operating decision makers, who have been identified as the directors of the Company, for the purpose of resources allocation and performance assessment.

The Group's revenues, results, assets and liabilities are primarily attributable to the sales of athletic and sports leisure footwear products. The directors of the Company consider that there is only one operating and reportable segment for the Group.

(b) Geographical information

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed as below:

	Revenue from external customers		**Non-current assets**	
	2011	2010	**2011**	2010
	US$'000	*US$'000*	***US$'000***	*US$'000*
The People's Republic of China (the "PRC")	**27,111**	17,250	**428**	851
Asia (other than the PRC)	**1,988**	831	**—**	—
Others	**—**	1	**—**	—
	29,099	18,082	**428**	851

(c) Information about major customers

Revenues from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2011	2010
	US$'000	*US$'000*
Customer A	**11,966**	8,145
Customer B	**5,973**	2,745
Customer C	**N/A[1]**	1,844

1 The corresponding revenue does not contribute over 10% of the total sales of the Group.

3. OTHER INCOME

	2011	2010
	US$'000	*US$'000*
Bank interest income	**25**	189
Interest income from derivative financial assets	**—**	13
Interest income from unlisted debt securities	**1**	6
Gross and net rental income from investment properties	**—**	237
Gain on disposal of property, plant and equipment	**1,084**	34
Dividend income from held for trading investments	**54**	—
Scrap sales	**241**	203
Others	**36**	128
	1,441	810

4. OTHER GAINS, NET

	2011	2010
	US$'000	*US$'000*
Gain on fair value changes of held for trading investments	**—**	355
Loss on disposal of available-for-sale financial assets	**(14)**	—
Gain on disposal of held for trading investments	**476**	125
	462	480

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2011	2010
	US$'000	*US$'000*
Auditor's remuneration	**44**	53
Depreciation of property, plant and equipment	**171**	229
Amortisation of prepaid lease payments on land use rights	**49**	58
Cost of inventories recognised as expenses	**26,804**	17,248
Allowance for inventories (included in cost of sales)	**114**	—
Written off of prepaid lease payment on land use rights	**121**	—
Written off of property, plant and equipment	**185**	—
Staff costs (including directors' emoluments)	**7,189**	5,129
Operating lease in respect of rented premises	**22**	—
Net exchange loss	**278**	147

6. INCOME TAX EXPENSE

	2011	2010
	US$'000	*US$'000*
Current tax — Hong Kong	**48**	—

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year ended 31st March 2011. No Hong Kong Profits Tax had been provided for the year ended 31st March 2010 as the Group had no assessable profits for that year.

Taxation arising in other jurisdictions is calculated as the rates prevailing in the relevant jurisdictions in which the Group operates. No taxation had been provided for the two years ended 31st March 2011 and 2010 as the Group had no assessable profits arising in or deriving from the relevant jurisdictions.

7. DIVIDEND

	2011	2010
	US$'000	*US$'000*
Dividend paid and recognised as distribution:		
Special dividend: HK$0.3 (2011: Nil) per ordinary share	—	13,101

No final dividend was paid or proposed during the year ended 31st March 2011, nor has any dividend been proposed since the end of the reporting period (2010: Nil).

8. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the two years ended 31st March 2011 and 2010.

	2011	2010
Profit for the year attributable to owners of the Company *(US$)*	**797,000**	2,295,000
Weighted average number of ordinary shares in issue	**340,616,934**	340,616,934
Basic earnings per share *(US cents)*	**0.2**	0.7

(b) Diluted

Diluted earnings per share was the same as the basic earnings per share as there were no potential dilutive ordinary shares outstanding during the two years ended 31st March 2011 and 2010.

9. TRADE RECEIVABLES

	2011	2010
	US$'000	*US$'000*
Trade receivables	**3,983**	1,935

The Group allows a credit period ranging from 30 to 90 days to its trade customers. Ageing analysis of the Group's trade receivables at the end of the reporting period presented based on the invoice date is as follows:

	2011	2010
	US$'000	*US$'000*
Within 30 days	**2,443**	1,206
31 to 60 days	**1,297**	724
61 to 90 days	**224**	—
Over 90 days	**19**	5
	3,983	1,935

The Group does not hold any collateral over these balances.

10. TRADE PAYABLES

Ageing analysis of trade payables at the end of the reporting period presented based on the invoice date is as follows:

	2011	2010
	US$'000	*US$'000*
Within 30 days	**1,506**	458
31 to 60 days	**706**	382
61 to 90 days	**85**	3
Over 90 days	**7**	9
	2,304	852

The credit period on purchases of goods ranges from 14 days to 90 days. The Group has financial risk management policies in the place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS

- Turnover increased by 61% to US$29.1 million from US$18.1 million for the last year.

- Profit for the year attributable to owners of the Company was US$0.8 million, a decrease of US$1.5 million as compared to the previous year.

BUSINESS REVIEW

For the year ended 31st March 2011, the Group's turnover significantly increased by 61% to US$29.1 million from US$18.1 million for the last year. Geographically, Asian countries contributed 100% of the Group's turnover for the year under review.

In line with the increase in turnover for the year, the Group's gross profit for the year 2010/2011 was US$2.3 million, an increase of US$1.5 million compared to US$0.8 million recorded in the previous year. The gross profit margin also increased from 4.6% for the last year to 7.9% during the year. Nevertheless, the increase was partially offset by the higher costs of raw materials, rising labour costs and Renminbi appreciation.

Other income for the year was US$1.4 million compared to US$0.8 million recorded in the last year, due primarily to the gain on disposal of the Group's leasehold building in Hong Kong amounting to US$1.1 million during the year. No rental income from investment properties was reported during the year (2010: US$0.2 million) as the Group disposed of its investment properties together with the disposal of subsidiaries on 30th September 2009.

General and administrative expenses increased by 25% to US$3.1 million, nevertheless, as a percentage of sales, general and administrative expenses, actually improved from 13.7% for the previous year to 10.7% this year as last year included one-off government and other administrative expenses relating to the closure of factories as well as the negative effects of idle costs associated to the unused production plants.

During the year 2010/2011, other gains, net were US$0.5 million, the same as the previous year. Other gains, net during the year mainly represented the gain on disposal of held for trading securities amounting to US$0.5 million while last year mainly represented the gain on fair value changes of held for trading securities amounting US$0.4 million.

Despite the increase in the Group's gross profit of US$1.5 million and the reported gains on disposal of leasehold building and held for trading securities amounting to an aggregate of US$1.6 million, profit for the year attributable to owners of the Company decreased significantly to US$0.8 million compared to US$2.3 million for the last year. The decrease was mainly due mainly to the absence of one-off gain from disposal of subsidiaries amounting to US$2.8 million which were recorded in the last year.

PROSPECT

There is no question that the rising labour costs in the People's Republic of China, the strengthening of Renminbi against US Dollars as well as higher material prices remained the norm throughout the financial year of 2010/2011 and it is likely that these trends will persist in the near future. We will continue to exercise tight cost control and striving to minimize margin impacts. In addition, we have taken appropriate actions to pass on certain cost increases to our customers. However, it is expected that the profitability of the Group will continue to be under pressure for the coming year.

With our strong financial position, the Group will cautiously explore investment opportunities which will result in a steady growth in the Group's long term performance.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity and financial resources continued to be healthy and it is debt-free as at 31st March 2011. During the year ended 31st March 2011, the Group had unwound its investment portfolio in the financial instruments and has maintained full cash position since then. The reported cash and bank balances were US$31.3 million as at 31st March 2011, as compared to last year's US$24.6 million.

The Group will maintain its conservative strategy in managing the surplus cash. Faced with the recent volatility in the financial market, the Group will continue to exercise prudence when making investment decision with the primary objective of maintaining high level of liquidity and generating sufficient cash flow for the operation.

OPERATING WORKING CAPITAL

The Group follows a policy of prudence in managing its working capital. The Group maintains tight control on its credit and collection policies and we have not experienced any significant bad debts in the past.

The increase in the last two months sales for the current year as compared to the last two months sales for the year ended 31st March 2010 brought an increase in trade receivables and payables to US$4 million and US$2.3 million respectively as compared to US$1.9 million and US$0.8 million respectively as at 31st March 2010.

The working capital position of the Group's remained strong with an average collection period of trade receivables of approximately 49 days (31st March 2010: 45 days) and the average stock turnover of approximately 71 days (31st March 2010: 85 days).

CAPITAL EXPENDITURES AND COMMITMENTS

The Group generally relies on its internally generated cash flow to finance its day to day operations and we believe that the Group has adequate financial resources to meet its funding requirement for our future business development.

EMPLOYEES AND REMUNERATION POLICY

As at 31st March 2011, the Group had a total of 1,500 (2010: 1,600) full time employees (including contracted manufacturing workers) in Hong Kong and the PRC. The Group's emolument policy is to pay wages and salaries that are competitive in the industry in a way that will be motivational, fair and equitable, and that are dependent on individual and the Group's performance. Apart from salaries, the Group also provides other fringe benefits to employees, which include provident fund schemes and bonus on performance basis.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct regarding directors' securities transactions. All the members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31st March 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the year ended 31st March 2011, except for the following deviations:

Code Provision A.2.1 stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Lee Chi Keung, Russell was the chairman & chief executive officer of the Company before his resignation as chairman and executive directors of the Company on 16th February 2011. Currently, the Company does not appoint chief executive officer. In view of the operation of the Group, the Board believes that the present structure of the Board will provide a strong leadership for the Group to implement prompt decisions and to formulate efficient strategies, which is for the benefits of the Group. Moreover, the day to day operations of the Group's businesses are shared among the executive Director and the management of the Group. Therefore, there should be a clear division of the responsibilities at the Board level to ensure a balance of power and authority, so that power is not concentrated in any one individual.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The Company's independent non-executive directors were not appointed for a specific term but is subject to retirement by rotation and reelection at the annual general meeting of the Company in accordance with the Company's Bye-laws.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the audited consolidated financial statements of the Group for the year ended 31st March 2011.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published at the website of the Company at www.ktpgroup.com and the websites of irasia.com at www.irasia.com/listco/hk/ktp/index.htm and the Stock Exchange at www.hkex.com.hk. The annual report of the Company for the year ended 31st March 2011 containing all the information required by the Listing Rules will be despatched to shareholders and available on the same websites in due course.

By Order of the Board
KTP Holdings Limited
Chua Chun Kay
Chairman

Hong Kong, 28th June 2011

As at the date of this announcement, the executive director of the Company is Mr. Chua Chun Kay (Chairman) and the independent non-executive directors are Mr. Lam Pun Yuen, Frank, Mr. Ngan Hing Hon and Mr. Yeung Kin Bond, Sydney.