中國港橋控股有限公司
China HKBridge Holdings Limited

(formerly known as "Topsearch International (Holdings) Limited")
(Incorporated in Bermuda with limited liability)
(Stock Code: 2323)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The board (the "Board") of directors (the "Directors") of China HKBridge Holdings Limited (the "Company") is pleased to announce the audited consolidated results and financial positions of the Company and its subsidiaries (the "Group") for the year ended 31 December 2016 together with comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue	*4, 5*	**803,194**	566,630
Cost of sales		**(469,255)**	(537,380)
Gross profit		**333,939**	29,250
Other income	*6*	**17,977**	10,240
Other gains and losses	*6*	**15,049**	(9,304)
Selling and distribution costs		**(37,593)**	(45,473)
Administrative expenses		**(165,761)**	(107,894)
Finance costs	*7*	**(18,088)**	(17,380)
Share of results of associates		**25,196**	(76)
Gains on bargain purchase arising from acquisitions of associates		**28,500**	—
Gain on disposal of subsidiaries, net		**22,989**	—
Gain on disposal of interest in an associate		—	156,505
Profit before income tax expense	*8*	**222,208**	15,868
Income tax expense	*10*	**(47,036)**	(2,413)
Profit for the year		**175,172**	13,455

	Note	2016 HK$'000	2015 HK$'000
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(34,071)**	(44,013)
Share of other comprehensive income of associates		**(3,708)**	(4,626)
Release of translation reserve included in profit or loss upon disposal of subsidiaries		**(38,905)**	—
Release of translation reserve included in profit or loss upon disposal of associates		**—**	(2,788)
Net other comprehensive income to be reclassified subsequently to profit or loss for the year		**(76,684)**	(51,427)
Item that will not be reclassified to profit or loss:			
(Loss)/gain on revaluation of property, plant and equipment		**(2,626)**	10,435
Income tax effect		**656**	(4,067)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(1,970)**	6,368
Other comprehensive income for the year, net of tax		**(78,654)**	(45,059)
Total comprehensive income for the year		**96,518**	(31,604)
Profit for the year attributable to:			
Owners of the Company		**177,228**	17,904
Non-controlling interests		**(2,056)**	(4,449)
		175,172	13,455
Total comprehensive income attributable to:			
Owners of the Company		**98,534**	(27,220)
Non-controlling interests		**(2,016)**	(4,384)
		96,518	(31,604)
Earnings per share	*12*		
— Basic		**HK15.02 cents**	HK1.79 cents
— Diluted		**HK14.92 cents**	HK1.79 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	2016 HK$'000	2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**262,064**	286,124
Payments for leasehold land held for own use under operating leases		**3,551**	3,866
Interests in associates		**431,513**	—
Rental and utility deposits		**250**	215
Available-for-sale financial assets		**2,107**	1,857
Deposits paid		**65,996**	186
Total non-current assets		**765,481**	292,248
CURRENT ASSETS			
Inventories		**78,713**	77,004
Payments for leasehold land held for own use under operating leases		**121**	127
Trade receivables	*13*	**111,549**	104,814
Loan receivables	*14*	**167,598**	—
Prepayments, deposits and other receivables		**35,822**	18,259
Equity investments at fair value through profit or loss	*15*	**639,429**	—
Bank balances and deposits		**992,784**	96,985
		2,026,016	297,189
Assets of disposal groups classified as held for sale		—	217,680
Total current assets		**2,026,016**	514,869
CURRENT LIABILITIES			
Trade payables	*16*	**134,534**	93,089
Other payables and accruals		**101,046**	78,667
Tax payables		**8,007**	2,430
Amount due to an associate		**10,440**	—
Loan from a related company		**200,000**	—
Shareholder's loans		—	94,698
Borrowings		**843,352**	152,510
Obligation under finance leases		**545**	3,338
		1,297,924	424,732
Liabilities of disposal groups classified as held for sale		—	37,435
Total current liabilities		**1,297,924**	462,167
NET CURRENT ASSETS		**728,092**	52,702
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,493,573**	344,950

	Note	2016 HK$'000	2015 HK$'000
NON-CURRENT LIABILITIES			
Borrowings		**189,944**	—
Obligation under finance leases		—	574
Loans from a director		**91,378**	—
Deferred tax liabilities		**44,873**	4,067
Total non-current liabilities		**326,195**	4,641
NET ASSETS		**1,167,378**	340,309
CAPITAL AND RESERVES			
Share capital	*17*	**144,000**	100,000
Reserves		**1,023,378**	252,505
Equity attributable to owners of the Company		**1,167,378**	352,505
Non-controlling interests		—	(12,196)
TOTAL EQUITY		**1,167,378**	340,309

Notes:

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the Group was involved in the manufacturing and sale of a broad range of printed circuit boards, investment and trading of securities and related treasury activities; and advising on securities and asset management services. On 21 December 2016, the Group successfully obtained approval (the "SFC Approval") from the Securities and Futures Commission of Hong Kong (the "SFC") to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under section 127(1) of the Securities and Futures Ordinance (the "SFO").

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs (defined below), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of amendments to HKFRSs — first effective on 1 January 2016

During the year, the Group has adopted the following amendments to HKFRSs which are first effective for the current year:

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

Amendments to HKAS 1 — Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

Included in the clarifications is that an entity's share of other comprehensive income from equity accounted interests in associates and joint ventures is split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

The adoption of the amendments has no impact on these financial statements.

Amendments to HKAS 16 and HKAS 38 — Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated. The amendments are applied prospectively.

The adoption of the amendments has no impact on these financial statements as the Group has not previously used revenue-based depreciation methods.

Amendments to HKAS 27 — Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements. The amendments are applied retrospectively in accordance with HKAS 8.

The adoption of the amendments has no impact on these financial statements as the Company has not elected to apply the equity method in its separate financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 — Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a subsidiary of an investment entity (including investment entities that account for their subsidiaries at fair value rather than consolidating them). An investment entity parent will consolidate a subsidiary only when the subsidiary is not itself an investment entity and the subsidiary's main purpose is to provide services that relate to the investment entity's investment activities. A non-investment entity applying the equity method to an associate or joint venture that is an investment entity may retain the fair value measurements that associate or joint venture used for its subsidiaries. An investment entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss should provide the disclosures related to investment entities as required by HKFRS 12. The amendments are applied prospectively.

The adoption of the amendments has no impact on these financial statements as the Company is neither an intermediate parent entity nor an investment entity.

Amendments to HKFRS 11 — Accounting for Acquisitions of Interests in Joint Operations

The amendments require an entity to apply the relevant principles of HKFRS 3 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined in that standard. The principles of HKFRS 3 are also applied upon the formation of a joint operation if an existing business as defined in that standard is contributed by at least one of the parties. The amendment are applied prospectively.

The adoption of the amendments has no impact on these financial statements as the Group has not acquired or formed a joint operation.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions[2]
HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[2]
HKFRS 16	Leases[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

[1] Effective for annual periods beginning on or after 1 January 2017
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2019
[4] The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Amendments to HKAS 12 — Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

Amendments to HKFRS 2 — Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

HKFRS 9 — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 — Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 — Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise deprecation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

4. SEGMENT REPORTING

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to strategic decisions.

The Group has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing segment	—	Manufacture and sales of printed circuits boards ("PCBs")
Treasury investments segment	—	Investment in securities and other related activities
Licensed businesses segment	—	Advisory on securities and asset management services

During the year, the board of directors of the Company has decided to expand the Group's treasury investments and other related activities as well as extend into asset management businesses following the asset management license was granted by the SFC on 21 December 2016. The purpose of the expansion is to capture business and investment opportunities on a timely basis. Accordingly, the treasury investments and licensed businesses are designated by the board of directors as principal activities of the Group and they are separately reviewed and evaluated for management reporting purpose.

Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar order.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Manufacturing		Treasury investments		Licensed businesses		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**526,165**	566,630	**277,029**	—	**—**	—	**803,194**	566,630
Reportable segment profit/(loss)	**(10,974)**	13,455	**186,569**	—	**(423)**	—	**175,172**	13,455
Interest income	**1,206**	329	**10,081**	—	**—**	—	**11,287**	329
Finance costs	**(14,283)**	(17,380)	**(3,805)**	—	**—**	—	**(18,088)**	(17,380)
Depreciation of property, plant and equipment	**(16,128)**	(30,883)	**(194)**	—	**—**	—	**(16,322)**	(30,883)
Impairment loss on property, plant and equipment	**—**	(31,890)	**—**	—	**—**	—	**—**	(31,890)
Write-down of inventories	**(3,973)**	(3,095)	**—**	—	**—**	—	**(3,973)**	(3,095)
Share of results of associates	**—**	(76)	**25,196**	—	**—**	—	**25,196**	(76)
Gains on bargain purchase arising from acquisition of associates	**—**	—	**28,500**	—	**—**	—	**28,500**	—
Gains on disposal of subsidiaries, net	**22,989**	—	**—**	—	**—**	—	**22,989**	—
Gain on disposal of interest in an associate	**—**	156,505	**—**	—	**—**	—	**—**	156,505
Reportable segment assets	**685,427**	807,117	**2,105,070**	—	**1,000**	—	**2,791,497**	807,117
Interests in associates accounted for by equity method	**—**	—	**431,513**	—	**—**	—	**431,513**	—
Additions to non-current assets	**4,101**	6,450	**9,919**	—	**—**	—	**14,020**	6,450
Reportable segment liabilities	**437,662**	466,808	**1,186,034**	—	**423**	—	**1,624,119**	466,808

(b) Geographical information

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("Specified non-current assets").

	Revenue from external customers *(Note)*		Specified non-current assets	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**343,483**	55,557	**46,215**	2,519
The People's Republic of China (the "PRC")	**116,858**	78,136	**337,356**	287,872
Singapore	**27,221**	26,304	—	—
Thailand	**4,734**	62,803	—	—
Malaysia	**19,962**	68,885	—	—
Germany	**62,980**	73,537	—	—
Poland	**54,650**	54,169	—	—
Other European Countries	**63,226**	46,320	—	—
United States of America	**43,455**	36,488	—	—
Taiwan	**225**	1,345	—	—
Korea	**16,361**	19,413	—	—
Others	**50,039**	43,673	—	—
Total	**459,711**	511,073	**337,356**	287,872
	803,194	566,630	**383,571**	290,391

Note: Revenue is attributed to countries on the basis of the customer's location.

(c) Information about major customer

Revenue from customer individually contributing over 10% of the total sales of the Group is as follows:

	2016	2015
	HK$'000	*HK$'000*
Customer A	**N/A***	92,360

* Revenue from Customer A during the year ended 31 December 2016 contributed less than 10% of the Group's revenue and no individual customer accounted for 10% or more of the Group's revenue.

5. REVENUE

Revenue represents the net amounts received and receivable for goods sold to external customers, less returns, rebate, discounts and related tax, if any; and fair value gain on equity investments at fair value through profit or loss, net.

An analysis of the Group's revenue and other income is as follows:

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Sales of printed circuit boards	**526,165**	566,630
Fair value gains on equity investments at fair value through profit or loss, net *(Note)*		
— Realised gain	**25,740**	—
— Unrealised gain	**251,289**	—
	277,029	—
	803,194	566,630

Note: The gross proceeds from the disposal of listed equity investments at fair value through profit or loss for the year were approximately HK$72,600,000 (2015: Nil).

6. OTHER INCOME AND OTHER GAINS AND LOSSES

	2016	2015
	HK$'000	*HK$'000*
Other income		
Interest income:		
— Loan receivables	**2,185**	—
— Loans to an associate	**7,444**	—
— Bank interest income	**1,658**	329
	11,287	329
Government grants	**1,973**	132
Service and tooling income	**3,743**	6,540
Compensation received from insurance claims	**—**	1,767
Others	**974**	1,472
	17,977	10,240

	2016	2015
	HK$'000	*HK$'000*
Other gains and losses		
Net exchange gains	**17,316**	17,176
(Reversal of)/impairment loss on trade receivables	**3**	(841)
Net (loss)/gain on disposal of property, plant and equipment	**(57)**	13
Gain on revaluation of property, plant and equipment	**—**	7,816
Impairment loss on property, plant and equipment	**—**	(31,890)
Others	**(2,213)**	(1,578)
	15,049	(9,304)

7. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on:		
Borrowings	**10,274**	10,254
Loan from a related party	**1,200**	—
Loans from a director/a shareholder	**6,453**	6,660
Obligation under finance leases	**161**	466
	18,088	17,380

8. PROFIT BEFORE INCOME TAX EXPENSE

This is arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
Auditor's remuneration		
— Current year	**1,330**	950
— Under-provision in prior years	**140**	125
— Others	**469**	301
	1,939	1,376
Cost of inventories recognised as expenses	**217,876**	299,199
Write-down of inventories (included in costs of sales)	**3,973**	3,095
Employee costs *(Note 9)*	**232,432**	200,679
Depreciation of property, plant and equipment	**16,322**	30,883
Release of payments for leasehold land held for own use under operating leases	**321**	575
Minimum lease payments under operating leases on land and buildings	**8,890**	5,253

9. EMPLOYEE COSTS

	2016 *HK$'000*	2015 *HK$'000*
Employee costs (including directors' remuneration) comprise:		
Wages and salaries	**150,562**	143,179
Contributions to retirement benefits scheme	**17,371**	19,384
Provision for employee termination benefits	**2,468**	31,478
Equity-settled share-based compensation benefits	**55,806**	—
Other staff benefits	**6,225**	6,638
	232,432	200,679

10. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of profit or loss and other comprehensive income represents:

	2016 *HK$'000*	2015 *HK$'000*
Current tax — PRC Enterprise Income Tax		
— tax for the year	**5,552**	2,549
— (over)/under-provision in prior years	**22**	(136)
	5,574	2,413
Deferred tax	**41,462**	—
Income tax expense	**47,036**	2,413

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both years.

No Macau profits tax has been provided as the Macau subsidiary of the Company is exempted from Macau Complementary Tax for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the statutory tax rate of the Group's PRC subsidiaries is 25%.

11. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2016 (2015: HK$Nil).

12. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2016	2015
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic and diluted earnings per share	**177,228**	17,904

	2016	2015
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,179,890,710**	1,000,000,000
Effect of dilutive potential ordinary shares — share award scheme	**7,573,770**	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**1,187,464,480**	1,000,000,000

There was no potential dilutive ordinary share in issue as at 31 December 2015.

13. TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**112,835**	107,317
Less: Allowance for doubtful debts	**(1,286)**	(2,503)
	111,549	104,814

Customers are generally granted with credit terms of 30 to 120 days. The ageing analysis of trade receivables based on invoice date (net of allowance for doubtful debts) at the end of reporting period is as follows:

	2016	2015
	HK$'000	*HK$'000*
0 — 30 days	**54,645**	43,948
31 — 60 days	**35,703**	37,620
61 — 90 days	**21,191**	20,586
Over 90 days	**10**	2,660
	111,549	104,814

14. LOAN RECEIVABLES

As detailed under the heading "Provision of financial assistance" of this announcement, loan receivables as at 31 December 2016 included outstanding balances due by Borrower I and Borrower II, which bore interests at rates of 11% and 26.5% per annum and were secured.

15. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

As detailed under the heading "Subscription of listed securities" of this announcement, equity investments at fair value through profit or loss included two listed securities in Hong Kong.

16. TRADE PAYABLES

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

	2016	2015
	HK$'000	*HK$'000*
0 — 30 days	**44,027**	27,201
31 — 60 days	**29,923**	22,665
61 — 90 days	**23,372**	17,575
Over 90 days	**37,212**	25,648
	134,534	93,089

17. SHARE CAPITAL

As detailed under the heading "Capital Structure" of this announcement, the Company completed the First Placement and the Second Placement (as defined below) by the issue of 200 million and 240 million shares at a subscription price of HK$0.925 per share and HK$2.00 per share, respectively. The net proceeds from the First and Second Placement amounting to approximately HK$183.0 million and approximately HK$477.6 million, respectively. The completion of the First and the Second Placement resulted in the increase in share capital account of HK$44 million and the increase in share premium account of approximately HK$616.5 million, net off of all the relevant issue expenses.

18. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

(i) On 23 January 2017, a special resolution was passed by the independent shareholders of the Company at the special general meeting to approve the change of the Company's name from "Topsearch International (Holdings) Limited" to "China HKBridge Holdings Limited" and the adoption of the Chinese name "中國港橋控股有限公司" as the secondary name of the Company to replace its existing name in Chinese "至卓國際(控股)有限公司", which is currently used for identification purposes only. The Registrar of Companies in Bermuda approved the registration of the new name of the Company on 25 January 2017 and issued the Certificate of Incorporation on change of Company's name and the adoption of the new Chinese name as its secondary name on 10 February 2017. On 23 February 2017, the Registrar of Companies in Hong Kong issued a certificate of registration of change of name confirming the registration of the new English and Chinese names of the Company in Hong Kong.

The Company's logo was changed to reflect the change of the Company's name with effect from 27 February 2017. The address of the Company's corporate website will change from www.topsearch.com.hk to www.hkbridge.com.hk on 13 March 2017. Further details in relation to the abovementioned corporate changes were set out in the Company's announcements dated 27 February 2017 and 1 March 2017, respectively.

(ii) On 25 January 2017, the Group via its indirect wholly-owned subsidiary, Hong Kong Bridge Investments Limited ("HKB BVI"), a company incorporated in the British Virgin Islands, entered into a subscription agreement with an investment fund, a company incorporated in the Cayman Islands, pursuant to which HKB BVI applied to subscribe for the participating shares at an amount of HK$200,000,000. The investment fund is managed by an independent third party investment manager with an objective to generate long term capital appreciation for each participant. This transaction constituted a discloseable transaction under Chapter 14 of the Listing Rules and further details of which were set out in the Company's announcement dated 25 January 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

After several years of efforts, the Group has replaced its customers in the Hard Disk Drives ("HDDs") industry by other industrial segment due mainly to the sharp decrease in demand of the HDDs during the year. However, sales orders loading from other industrial segment have to take some time to grow and this resulted in the reduction of the Group's revenue for the year ended 31 December 2016.

For the year ended 31 December 2016, the Group reported a total revenue of approximately HK$526.2 million for the manufacturing segment, representing a decrease of approximately 7% as compared to the same of last year. On the other hand, the treasury investment segment in 2016 reported a total revenue of approximately HK$277.0 million (2015: Nil) which mainly included realised fair value gains of approximately HK$25.7 million and unrealised fair value gains of approximately HK$251.3 million.

Operating profit before interest and tax reported a remarkable improvement and recorded an increase of approximately HK$206.3 million, which was mainly due to the net disposal gain of approximately HK$23.0 million arising from the disposal of certain subsidiaries and an associate during 2016 and the fair value gains of approximately HK$277.0 million, which arose from equity investments held through profit or loss held for trading and gains arising from bargain purchases of HK$28.5 million. Profit attributable to shareholders for the year ended 31 December 2016 amounted to approximately HK$177.2 million, representing approximately 10 times increase when compared with the same amount in 2015. Basic earnings per share was approximately 15.02 Hong Kong cents, as compared to earnings per share of 1.79 Hong Kong cents in 2015, representing 8.4 times increase.

Business Review

Manufacturing business

The Group is principally engaged in the manufacture and sale of a broad range of PCBs during the year.

The Group's sales turnover decreased by approximately 7.1% from approximately HK$566.6 million in 2015 to approximately HK$526.2 million in 2016. The Group's gross profit had been increased from approximately HK$29.3 million in 2015 to approximately HK$333.9 million in 2016 with the gross profit margin increased from approximately 5.2% in 2015 to approximately 41.6% in 2016. Such a significant increase was mainly attributable to the fair value gains contributed by the treasury investments segment. Without taking into account the contribution from treasury investments of approximately HK$277.0 million, the manufacturing segment's gross profit margin increased from 5.2% in 2015 to 10.8% in 2016.

The reduction in the Group's revenue under the manufacturing segment was primarily due to by the completion of disposals of certain subsidiaries during the year and the Group's restructuring. As mentioned, sales orders from new industrial segment have to take time to build and grow but it still witnessed a 15% increase in sales revenue during the second half of 2016 when compared with the first half of 2016.

Treasury investments

2016 represented a period of transformation to the Group. The Group released its illiquid assets and better used of its available resources by investing into a wide variety of financial assets. During the year under review, the stock market in Hong Kong and elsewhere experienced extreme volatility. The Group's listed securities portfolio recorded a realised fair value gain on listed equity investments at fair value through profit or loss of approximately HK$25.7 million and an unrealised fair value gains on listed equity investments at fair value through profit or loss held for trading of approximately HK$251.3 million. Additionally, the Group earned a total interest income of approximately HK$2.2 million from loans receivable.

Licensed business

On 21 December 2016, the Group obtained the approval from the SFC to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the SFO. It is expected that the Group's asset management business will be launched in the second half of 2017 by introducing two separate funds into the market. For the year ended 31 December 2016, the Group only incurred some initial set up costs for this segment amounting to HK$0.4 million.

Change of Controlling Shareholders of the Company

On 16 November 2015, Inni International Inc., a company incorporated in the Republic of Liberia with limited liability and was then wholly-owned by Mr. Cheok Ho Fung ("Mr. Cheok") and his wife (collectively defined as the "Vendor"), Youfu Investment Co., Ltd ("Youfu") and Zhisheng Enterprise Investment Co., Ltd ("Zhisheng"), both of which were incorporated in the British Virgin Islands ("BVI") and were beneficially owned by Mr. Sun Mingwen ("Mr. Sun") and Ms. He Yeqin ("Ms. He") (collectively defined as the "Joint Offerors"), respectively entered into an agreement, pursuant to which the Joint Offerors conditionally agreed to acquire and the Vendor conditionally agreed to sell 510,250,000 shares of the Company (the "Shares"), representing 51.025% of the entire issued share capital of the Company, for a total consideration of HK$285.7 million (equivalent to HK$0.56 per share), which was agreed between the Joint Offerors and the Vendors after arm's length negotiations.

Pursuant to Rule 26.1 of the Takeover Codes, the Joint Offerors was required to make a mandatory unconditional cash offer (the "Offer") to acquire all the issued Shares at an offer price of HK$0.56 per offer Share between 22 January 2016 and 12 February 2016. The Offer was finally closed on 12 February 2016, whereby the Joint Offerors received a total of 40,000 offer Shares, representing 0.004% of the entire issued share capital of the Company at that time. Together with the Shares previously purchased, the Joint Offerors, hold a total of 510,290,000 Shares, representing 51.029% of the then entire issued share capital of the Company, which was held as to 34.019% by Youfu and as to 17.010% by Zhisheng. Since Mr. Sun is the brother-in-law of Ms. He and Ms. He is the sister-in-law of Mr. Sun, they are parties acting in concert under the Takeover Codes. Further details in relation to the Offer were set out in the Company's composite document despatched to its shareholders dated 22 January 2016 (the "Composite Document").

Capital Structure

Placement of 200 million Shares

On 26 February 2016, the Company entered into a placing agreement (the "First Placing Agreement") with a placing agent pursuant to which the placing agent shall use its best effort to procure potential investors to subscribe up to 200,000,000 placing Shares at a price of HK$0.925 per placing Share on the terms and subject to the condition of the First Placing Agreement (the "First Placement"). On 9 March 2016, the First Placement was completed and the entire 200,000,000 placing Shares were allotted and issued to an independent professional investor named China Aim Holdings Limited

("China Aim"). The ultimate beneficial owner of China Aim had profound experiences in securities investment and was a major shareholder of a PRC company which is principally engaged in media investment and cultural development. China Aim then became one of the substantial shareholders of the Company which held 16.67% of the entire enlarged issued share capital of the Company after the completion of the First Placement. Upon the completion of the Second Placement (as defined below), China Aim's interests in the Company was diluted from the initial of 16.67% to 13.89%.

The net proceeds from the First Placement (after deducting the placing commission payable to the placing agent and other expenses incurred in the First Placement) were approximately HK$182.5 million. As at the date of this announcement, the net proceeds from the First Placement had been applied as the Group's general working capital.

Further details in relation to the First Placement were set out in the Company's announcements dated 26 February, 1 March and 9 March 2016, respectively.

Placement of 240 million Shares

On 14 November 2016, the Company entered into another placing agreement (the "Second Placing Agreement") with another placing agent named Tian Yuan Finance Limited ("Tian Yuan") pursuant to which Tian Yuan shall use its best effort to procure potential investors to subscribe up to 240,000,000 placing Shares at a price of HK$2.00 per placing share on the terms and subject to the conditions of the Second Placing Agreement (the "Second Placement"). On 6 December 2016, the Second Placement was completed and the entire 240,000,000 placing Shares were allotted and issued to China Tian Yuan Manganese Limited ("China Tian Yuan"), a company incorporated in the Cayman Islands with limited liability. China Tian Yuan is wholly owned by 寧夏天元錳業有限公司 (transliterated as Ningxia Tianyuan Manganese Industry Co., Ltd) ("Ningxia Tianyuan"), a company established in the PRC with limited liability, which is owned as to approximately 77.0% and 22.6% by Mr. Jia Tianjiang (賈天將) ("Mr. Jia") and HK Jingjin Int'l Share Group Limited, which is in turn wholly owned by Mr. Cui He (崔鶴), respectively. China Tian Yuan then became one of the substantial shareholders of the Company which held 16.67% of the entire enlarged issued share capital of the Company.

The net proceeds from the Second Placement (after deducting the placing commission payable to the placing agent and other expenses incurred in the Second Placement) were approximately HK$477.6 million. As at the date of this announcement, the net proceeds from the Second Placement was applied for as the Group's general working capital, repayment of the Group's indebtedness and the Group's other potential investments in the future.

Further details in relation to the Second Placement were set out in the Company's announcements dated 14 November and 6 December 2016, respectively.

Business updates

Licensed business

As stated in the Composite Document, the Joint Offerors intend to continue with the Group's existing principal business following the close of the Offer. The Joint Offerors conducted a strategic review on the business activities and assets of the Group and formulated a long-term business and strategic plan of the Group. The Joint Offerors would further consider any asset disposal, asset acquisition, business rationalisation, business divestment, fund raising and/or restructuring of the business is needed so as to enhance the long-term growth of the Company. Thus, on 23 March 2016, the Company further announced that it planned to expand its business to the carrying out of assets and funds management for client as well as conducting financial investments from available investment monies of the Company, including but not limited to securities, bonds and debentures on discretionary basis. On 21 December 2016, Hong Kong Bridge Investments Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, successfully obtained the SFC Approval to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the SFO. As a result of this latest development, advisory on securities and asset management has become one of the business segments of the Group.

Subscription of listed securities

1. SkyNet Shares

On 23 November 2016, HKB BVI entered into a placing letter with a placing agent, pursuant to which, HKB BVI agreed, among others, (i) to subscribe for a total number of 35,416,666 shares in SkyNet Group Limited ("SkyNet Shares") at a subscription price of HK$4.80 each, of which its shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8176) (the "SkyNet Shares Subscription") and (ii) to acquire 6,250,000 SkyNet Shares from New Cove Limited (a then substantial shareholder of SkyNet Group Limited) at a purchase price of HK$4.80 each (the "SkyNet Shares Acquisition").

On 5 December and 14 December 2016, the SkyNet Shares Subscription and the SkyNet Shares Acquisition were completed, respectively, and a total consideration of approximately HK$200.0 million (exclusive of stamp duty, trading fees, transaction levies and brokerage) was paid out by the Group. As at 31 December 2016, HKB BVI held a total number of 41,666,666 SkyNet Shares, representing a total of 9.15% of the total issued share capital of SkyNet Group Limited.

2. North Mining Shares

On 8 December 2016, HKB BVI entered into a subscription agreement with North Mining Shares Company Limited ("North Mining"), a company incorporated in Bermuda of which its shares are listed on the Main Board of the Stock Exchange (stock code: 433), for the subscription of a total number of 1,654,929,577 shares in North Mining at a subscription price of HK$0.142 per share (the "North Mining Shares Subscription").

On 21 December 2016, the North Mining Shares Subscription was completed and a total consideration of approximately HK$235 million (exclusive of stamp duty and other transaction costs) was paid out by the Group.

On 30 December 2016, HKB BVI disposed of 330,000,000 North Mining's shares to an independent third party at a total consideration of HK$72.6 million and realised a gain on disposal of HK$25.7 million.

As at 31 December 2016, HKB BVI held a total number of 1,324,929,577 shares in North Mining, representing a total of 6.14% of the total issued share capital of North Mining.

Both SkyNet Shares Subscription and North Mining Shares Subscription constituted discloseable transactions under Chapter 14 of the Listing Rules and further details of which are set out in the Company's announcements dated 23 November 2016 and 8 December 2016, respectively. For the year ended 31 December 2016, unrealised fair value gains on these outstanding listed securities at fair value through profit or loss of HK$251.3 million were reflected in the consolidated statement of profit or loss and other comprehensive income.

Subscription of interest in a fund

On 23 December 2016, HKB BVI and Huarong International Capital Limited, an exempted company incorporated in the Cayman Islands with limited liability, entered into a subscription agreement pursuant to which HKB BVI has applied to subscribe for the interest in Huarong International Fortune Innovation Limited Partnership, an exempted limited partnership in the Cayman Islands established in accordance with the Exempted Limited Partnership Law (as amended) of Cayman Islands (the "Fund") with a committed capital contribution of HK$340 million in accordance with the limited partnership agreement (the "Fund Subscription"). The Fund Subscription constituted a discloseable transaction under Chapter 14 of the Listing Rules. As at 31 December 2016, HKB BVI has not yet made any payment for the Fund Subscription and such committed capital contribution was disclosed as an outstanding commitment of the Group.

Further details in relation to the Fund Subscription were set out in the Company's announcement dated 23 December 2016.

Provision of financial assistance

On 17 and 28 November 2016, the Group entered into an initial loan and a supplemental loan agreements, respectively, with 黃山市黃山區名人國際藝術家莊園置業有限公司 ("Borrower I"), a company established in the PRC with limited liability, which owned as to 75% by Zhou Kaishou, as to 15% by Zhu Na and as to 10% by Hua Ping (collectively defined as the "Guarantors") pursuant to which the Group agreed to lend a total principal amount of RMB110.8 million (equivalent to HK$124.1 million) to Borrower I for a term of 3 months from the drawndown date, which carries an interest rate of 11% per annum and is secured by 70% equity interests in Borrower I and personal guarantees provided by the Guarantors. The provision of financial assistance constitutes a discloseable transaction under Chapter 14 of the Listing Rules and further details of which were set out in the Company's announcements dated 17 and 28 November 2016, respectively.

On 18 and 30 November 2016, the Group entered into an initial and a supplemental entrusted fund agreements with 國民信託有限公司 (transliterated as National Trust Company Limited) ("NTC"), a corporate trustee established in the PRC and authorised by the China Banking Regulatory Commission to entrust an amount of RMB39.2 million (equivalent to HK$43.9 million) to NTC for a term of 92 days from the drawndown date, which carries an expected rate of net return of 26.5% per annum. The permitted use of the entrusted fund is for the provision of a loan of a principal amount of RMB39.2 million (the "Loan") to an independent third party called 南京文景建築設計有限公司 ("Borrower II"), a company established in the PRC with limited liability, which was then owned as to 52% by Liu Lan and 48% by Liu Wei, both of whom are PRC citizens. The Loan is secured by charges created on certain properties located in Nanjing, the PRC, the pledge of equity interests in the Borrower II by its equity holders and their personal guarantees. The entrusted fund arrangement constitutes a discloseable transaction under Chapter 14 of the Listing Rules and further details of which are set out in the Company's announcements dated 18 and 30 November 2016, respectively.

For the year ended 31 December 2016, the total interest income generated from the above two transactions amount to approximately HK$2.2 million.

Material acquisitions or disposals completed during 2016

After the formulation of a new long-term business and strategic plan of the Group, the Group has undergone a number of transactions to rationalise and restructure the Group's business by better utilising the available financial resources of the Group.

1. Disposal of subsidiaries and an associate

On 15 January 2016, the Group completed the disposal of certain subsidiaries and an associate to two companies wholly owned by Mr. Cheok namely Toprich Bravo Limited and Top Harvest International Investment Limited, pursuant to two conditional disposal agreements dated 16 November 2015. The disposals constituted connected transactions under Chapter 14A of the Listing Rules. The Group recorded a gain on disposals of approximately HK$40.3 million and received a total of net cash proceeds of approximately HK$182.4 million. Further details of the disposals are set out in the Company's circular dated 29 December 2015 despatched to shareholders and the Company's announcement dated 15 January 2016.

During the year, the Group also completed another disposal of certain subsidiaries to an independent third party at a consideration of HK$2.5 million, which resulted in a loss on disposal of HK$17.3 million.

2. Acquisition of associates

(a) Shenzhen Shengda

On 5 August 2016, the Group entered into a conditional sale and purchase agreement with an independent third party ("Vendor I") for the acquisition of 45% equity interests in 深圳市盛達前海供應鏈有限公司 ("Shenzhen Shengda"), a company established in the PRC. Shenzhen Shengda is engaged in equity investment, the provision of investment and research analysis advisory services (excluding restricted projects) and investment management (excluding trust, financial asset management, securities asset management, insurance asset management).

On the same date, the Group, Vendor I and Shenzhen Shengda, entered into a debt capital agreement pursuant to which the Group agreed to provide debt capital of RMB121.5 million (equivalent to approximately HK$140.94 million) (the "Debt Capital") to Shenzhen Shengda for a term of 18 months commencing from the date of provision of the Debt Capital, which bears interest at an annual rate of 18% per annum and is secured by the remaining 55% equity interests in Shenzhen Shengda beneficially owned by the Vendor I. The Debt Capital shall only be applied and used by the Shenzhen Shengda as its general working capital.

During 2016, the acquisition of 45% equity interests in Shenzhen Shengda and the Debt Capital were completed. The financial results of the Shenzhen Shengda have been accounted for in the Group's consolidated financial statements using the equity method of accounting.

(b) Jade Summit

Pursuant to a non-binding cooperation and investment framework agreement dated 26 September 2016 (the "JV Framework Agreement") entered into between the Company and Jiangsu Provincial Construction Group Co., Ltd (the "JV Partner"), in relation to, among others, the establishment of Jade Summit Holdings Limited ("Jade Summit") (a joint venture company incorporated in the BVI), which was initially held as to 25% interest held by the Group and as to 75% interest held by the JV Partner, for the purpose of the proposed Acquisition of Vastline (as defined below). Pursuant to the JV Framework Agreement, the Group is entitled (but not obliged) to acquire additional equity interests of 12.5% in Jade Summit before 30 April 2017 from the JV Partner.

On 18 October 2016, Jade Summit entered into a sale and purchase agreement ("SP Agreement") pursuant to which the Group (through Jade Summit) agreed to acquire from Nam Fung Investment China Holdings Limited ("Nam Fung"), an independent third party, the entire issued share capital in Vastline and the outstanding shareholder's loan in the amount of approximately HK$1,348.5 million payable to Nan Fung by Vastline as at 30 September 2016 ("Acquisition of Vastline") at a total acquisition consideration of

RMB620 million (equivalent to HK$713 million), which included the purchase price of RMB590 million and certain liabilities/disbursements incurred and payable by the project company in the sum of RMB30 million.

Vastline, through Asia Cosmos Limited, its wholly owned subsidiary incorporated in Hong Kong, is interested in the entire paid-up capital in Wuxi Yansha Real Estate Development Co., Ltd ("Yansha" a company established in the PRC) which in turn is the holder of the land use rights in respect of the site located at Nanlin Yonghe Road, east to the foundation of Kempinski, Taihu Square, Wuxi City, Jiangsu Province, the PRC (the "Wuxi Site"). The Wuxi Site has a site area of about 25,970.6 square metres where the development for commercial (including hotel), office and hotel-style service apartment purpose) ("Development Project") is planned to be carried out. Certain demolition and removal steps are still being conducted at the Wuxi Site and its neighbourhood.

Upon completion of the Acquisition of Vastline on 4 November 2014, the Group, through its 25% interests in Jade Summit, indirectly owns 25% interests in Vastline and 25% interests in Yansha and so the Wuxi Site.

As at the date of this announcement, construction works in connection with the Development Project on the Wuxi Site have not yet commenced as Yansha is now in the process of applying for adjustment of the development plan on the Wuxi Site in order to further increase the economic benefits for the Development Project.

On 22 December 2016, the Group exercised its entitlement under the JV Framework Agreement to acquire an additional 2.5% interest in Jade Summit from the JV Partner at a consideration of approximately RMB16.3 million (equivalent to HK$18.3 million) (the "Acquisition of Additional Interests"). Such consideration represented the initial investment cost paid by the JV Partner in such shareholding interests plus interest. As at 31 December 2016, the Acquisition of Additional Interests had completed and the Group through its 27.5% interests in Jade Summit, indirectly owns 27.5% interests in Vastline, Yansha and so the Wuxi Site.

The acquisitions of equity interests in Shenzhen Shengda and Jade Summit constituted discloseable transactions under Chapter 14 of the Listing Rules. Further details in relation to the above-mentioned acquisition are set out in the Company's announcements dated 5 August, 18 October, 28 October, 4 November and 22 December 2016, respectively.

For the year ended 31 December 2016, the acquisition of Jade Summit resulted in a gain on bargain purchase of approximately HK$17.8 million.

Outlook

After a series of strategic restructuring, it is expected that the Group's revenue in the manufacturing segment will become more stable in the short- and medium-terms. The Group has recorded more than 10% increase in its second half year's revenue comparing to its first half year's revenue. Gross profit margin has also improved mostly due to the continuous devaluation of the Renminbi ("RMB") during the year.

However, whether this trend will continue or not will largely depend on how long the recent acute price increase of copper foil and copper laminates, will continue which are the major raw materials for our PCB products. Due to a shortage of copper foil supply in the industry during the past 6 months, copper foil and laminate suppliers are forced to curtail their production output, resulting in deliveries allocation and sharp price increase. The Group is currently negotiating with its customers to allow for price adjustments but as some of its customers may already have a fixed price commitment with their end-customers, and this may result in a change of orders loading allocation short-term, and the impact of which is difficult to assess with accuracy at the moment.

With the change in its shareholding structure in early 2016 and the grant of the SFC approval, the Group will continue to develop its existing business and will also be proactively exploring new business opportunities with bright prospect and good returns. By utilising its resources in China and the advantages of Hong Kong as an international financial center and offshore RMB centre, the Group may explore opportunities to expand its business in asset management and financial investments in the near future so as to improve the Group's market strength and its positioning as a financial platform between China and Hong Kong and enhance the shareholder's return.

Liquidity and Financial Resources

The Group generally finances its operations through a combination of internally generated cash flows, shareholders' equity and borrowings from banks and others.

As at 31 December 2016, the Group had total equity of approximately HK$1,167.4 million (31 December 2015: HK$340.3 million) and net debt (trade payables, other payables and accruals, interest-bearing bank loans, obligation under finance leases and shareholder's loan less cash and cash equivalents) of approximately HK$568.0 million (31 December 2015: HK$325.9 million), representing a gearing ratio, defined as net debt over total equity plus net debt, of 33% (31 December 2015: 49%).

The Group's net current assets of approximately HK$728.1 million (31 December 2015: net current assets of HK$52.7 million) consisted of current assets of approximately HK$2,026.0 million (31 December 2015: HK$514.9 million) and current liabilities of approximately HK$1,297.9 million (31 December 2015: HK$462.2 million), representing a current ratio of 1.56 (31 December 2015: 1.11). The asset base was strengthened as a result of the completion of two placements during the year.

As at 31 December 2016, the Group's current assets consisted of approximately HK$992.8 million (31 December 2015: HK$97.0 million) held as cash and cash equivalents, of which 19% was in Hong Kong dollars ("HKD"), 78% was in RMB and 3% was in other currencies.

The Group's current assets also consisted of approximately HK$111.5 million (31 December 2015: HK$104.8 million) as trade receivables from its customers. Debtors turnover days was 75 days (31 December 2015: 67 days).

As at 31 December 2016, the Group's inventories increased to approximately HK$78.7 million (31 December 2015: HK$77.0 million). Inventory turnover days was 61 days (31 December 2015: 59 days). Trade payables increased from approximately HK$93.1 million in 2015 to approximately HK$134.5 million in 2016. Creditors turnover days was approximately 89 days (31 December 2015: 93 days).

Interest-bearing Borrowings

As at 31 December 2016, the Group had the interest-bearing borrowings as follows:

	31 December 2016	31 December 2015
	HK$'000	*HK$'000*
Amounts payable:		
Within one year	**1,043,897**	250,546
In the second year	**281,322**	574
	1,325,219	251,120
Less: Portion classified as current liabilities	**1,043,897**	250,546
Portion classified as non-current liabilities	**281,322**	574

Of the total interest-bearing borrowings as at 31 December 2016, HKD denominated loans accounted for 21.7% (31 December 2015: 36%), USD denominated loans accounted for 0.1% (31 December 2015: 15%) and the RMB denominated loans accounted for 78.2% (31 December 2015: 49%).

Out of the total borrowings, bank loans of approximately HK$109.5 million (31 December 2015: HK$115.3 million) carried floating interest rates ranged from 4.13% to 6.15% (31 December 2015: 5.35% to 6.15%) per annum. In the prior year, bank loans of approximately HK$37.2 million also carried fixed interest rates ranged from 1.2% to 1.93% per annum.

The bank loans and other banking facilities of the Group are secured by:

(i) certain buildings and payments for leasehold land held for own use under operating leases held by the Group;

(ii) the assignment of trade receivables of a subsidiary of the Group; and

(iii) corporate guarantee of the Company.

There are loans advanced by Mr. Cheok at an effective interest rate of 7% per annum (2015: 7%). This financial assistance provided by Mr. Cheok is a connected transaction as defined under the Chapter 14A of the Listing Rules. However, it is fully exempted from the reporting, announcement and independent shareholders' approval requirements (the "Exemption").

As at 31 December 2016, there was a new loan due to a related party of HK$200 million obtained during the year, which was unsecured, bore interest at a rate of 3% per annum and was repayable within the next twelve months. That related party is also a connected party as defined under Chapter 14A of the Listing Rules and the Exemption also applied.

As at 31 December 2016, there were other loans due to some independent third parties of approximately HK$923.8 million obtained during the year, out of which approximately HK$189.9 million was secured by equity interests in certain subsidiaries of the manufacturing segment, was repayable by 27 October 2018 and bore interest at 5% per annum. For the remaining balance of approximately HK$733.9 million, they were unsecured, bore interest at a rate of 5% per annum and was repayable within the next twelve months.

Foreign Exchange Exposure

Sales of the Group's products are principally denominated in USD and the purchases of materials and payments of operational expenses are mainly denominated in USD, HKD and RMB. Most of the Group's purchases and expenses during the year are denominated in RMB. As such, the Group can benefit from the recent devaluation in RMB and resulted in a net exchange gains of HK$17.3 million (2015: HK$17.2 million).

As at 31 December 2016, the Group has not entered into any financial instrument for hedging purpose. Nevertheless, the Board will continue to monitor foreign exchange exposure in the future and will consider hedging such exposure to minimise exchange risk should the need arise.

Number and Remuneration of Employees

As at 31 December 2016, excluding the associate, the Group had approximately 1,645 employees (31 December 2015: 1,885). For the year ended 31 December 2016, our total staff costs (including provision for employee termination benefits) amounted to HK$232.4 million (31 December 2015: HK$200.6 million). Under the Group's remuneration policy, employees are rewarded in line with market rate and in compliance with statutory requirements of all jurisdictions where it operates. Employees are also granted discretionary bonus subject to the individual's performance and business results of the Group.

The Group follows a policy of encouraging its subsidiaries to send their staff to attend training classes or seminars that are related directly or indirectly to the Group's businesses.

Share option scheme

The Company previously operated a share option scheme for the purpose of providing incentives and rewards to eligible participants including any employees of the Group. However, as at 31 December 2016, no share options were outstanding under the scheme because the share option scheme, the life of which is 10 years from its date of adoption on 30 May 2002, had already expired on 30 May 2012. The Board considered that a new share option scheme may only be adopted in the future at the time when the Directors think fit to the Company.

Share award scheme

On 17 May 2016, the Company adopted a share award scheme (the "Share Award Scheme"), which is not subject to the provisions of Chapter 17 of the Listing Rules. The purpose of the share award scheme are (i) to provide those eligible persons with an opportunity to acquire a proprietary interest in the Company (ii) to encourage and retain such individual to work with the Company; and (iii) to provide additional incentive for them to achieve performance goals, with a view to achieving the objectives of increasing the value of the Company and aligning the interests of those eligible persons directly to shareholders of the Company through their ownership of shares in the Company.

On 20 July and 27 October 2016, ordinary resolutions were passed at the respective special general meeting held to grant the relevant special mandate to the Directors to exercise all the powers of the Company to allot and issue an aggregate of 60,000,000 new Shares (the "Awarded Shares") to each of Mr. Liu Tingan ("Mr. Liu") and Mr. Zhou Huorong ("Mr. Zhou"), respectively, pursuant to the Share Award Scheme and the fulfillment of vesting conditions specified therein.

Since both Mr. Liu and Mr. Zhou are the executive Directors, they are connected persons as defined under Chapter 14A of the Listing Rules. As such, the grant of Awarded Shares to each of Mr. Liu and Mr. Zhou constitutes connected transactions to the Company.

Subsequent to 31 December 2016, a total of 24,000,000 new Shares were issued on 3 January 2017 to Computershare Hong Kong Trustees Limited to hold on trust for both Mr. Liu and Mr. Zhou, each was entitled to receive 12,000,000 Awarded Shares for 2016.

Further details of the Company's Share Award Scheme and the grant of Awarded Shares to both Mr. Liu and Mr. Zhou are set out in the Company's announcement dated 17 May 2016 and the Company's circulars dated 5 July 2016 and 30 September 2016, respectively.

Capital Commitments

As at 31 December 2016, the Group's capital commitments under the manufacturing segment contracted but not provided for amounted to HK$2.2 million (31 December 2015: HK$0.4 million) and there was no capital commitment authorised but not contracted for outstanding for both years. All of these capital commitments were related to construction of factory buildings and acquisition of plant and machinery.

On the other hand, the Group's capital commitments under the treasury investment segment contracted but not provided for amounted to HK$340 million (31 December 2015: Nil) and there was no capital commitment authorised but not contracted for outstanding for both years. The outstanding commitments under the treasury investments segment were related to the Fund mentioned above.

CLOSURE OF REGISTER OF MEMBERS

The register of Members of the Company will be closed from 13 June 2017 (Tuesday) to 16 June 2017 (Friday), both days inclusive. In order to qualify for the attendance of the forthcoming annual general meeting of the Company to be held on 16 June 2017 (Friday), share transfer forms accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 12 June 2017 (Monday).

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year of 2016.

CORPORATE GOVERNANCE CODE (THE "CG CODE")

The Directors confirm that, for the financial year ended 31 December 2016, the Company has complied with the code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules save for the deviation mentioned below:

Mr. Cheok remained as the chairman as well as the chief executive officer of the Company for the period from 1 January 2016 to 21 March 2016. Since 22 March 2016, Mr. Liu Tingan has acted as an executive Director, the chairman as well as the chief executive officer of the Company up to the date of this announcement. This arrangement deviates from the provision of A.2.1 of the CG Code, which provides that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

The Directors are of the opinion that the current arrangement will provide stronger leadership of the management for the Group and enable effective business planning. The Directors believe that it does not have a material adverse impact on the corporate governance of the Company.

The Board will carry out a regular review and propose any amendment, if necessary, to ensure compliance with the CG Code provisions as set out in the Listing Rules.

The Company has in practice complied with the new requirements under the amendments to C.3.3 of the CG Code relating to risk management and internal control since 1 January 2016. The Board has adopted new terms of reference for the Audit Committee on 17 August 2015 to comply with the new requirements under the amendments to C.3.3 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted its own code of conduct (the "Own Code") regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code in Appendix 10 of the Listing Rules.

The Company, having made specific enquiries, confirms that members of the Board have complied with the Own Code throughout 2016. Members of the Company's management, who, due to their positions in the Company, are likely to be in possession of inside information, have also complied with the provisions of the Own Code.

AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") has reviewed the consolidated annual results and financial statements of the Group for the year ended 31 December 2016, including the significant accounting principles and practices adopted by the Group.

Publication of Annual Report on the website of the Stock Exchange

The 2016 annual report of the Company containing all the information required by the Listing Rules will be published on the Company's (www.hkbridge.com.hk) and the Stock Exchange's (www.hkex.com.hk) websites in due course.

Appreciation

On behalf of the Board, I would like to extend our gratitude and sincere appreciation to all senior management and staff members for their diligence and dedication, and also to our business partners and the Company's shareholders for their continuing support.

By order of the Board
China HKBridge Holdings Limited
Liu Tingan
Chairman and Chief Executive Officer

Hong Kong, 10 March 2017

As at the date of this announcement, the Board comprises Mr. Liu Tingan, Mr. Cheok Ho Fung and Mr. Zhou Huorong being executive Directors; and Mr. Ng Man Kung, Dr. Ngai Wai Fung and Mr. Lau Fai Lawrence being independent non-executive Directors.