港橋金融控股有限公司
HKBridge Financial Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The board (the "**Board**") of directors (the "**Directors**") of HKBridge Financial 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 2019 (the "**Year**") together with comparative figures for the year ended 31 December 2018 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Revenue	*5*	**208,941**	388,892
Cost of sales		**(388,026)**	(455,649)
Gross loss		**(179,085)**	(66,757)
Other income	*6*	**36,040**	43,410
Other gains and losses	*7*	**(248,200)**	(346,439)
Selling and distribution costs		**(19,680)**	(23,229)
Administrative expenses		**(124,270)**	(169,658)
Finance costs	*8*	**(79,212)**	(86,570)
Share of results of associates		**10,996**	139,664
Share of results of joint ventures		**811**	–
Loss before income tax (expense)/credit	*9*	**(602,600)**	(509,579)
Income tax (expense)/credit	*11*	**(56,086)**	81,911
Loss for the year		**(658,686)**	(427,668)

	Note	**2019** **HK$'000**	2018 *HK$'000*
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(27,464)**	(16,887)
Share of other comprehensive income of associates		**(16,239)**	(28,258)
Net other comprehensive income to be reclassified subsequently to profit or loss for the year		**(43,703)**	(45,145)
Item that will not be reclassified to profit or loss:			
Gain on revaluation of property, plant and equipment		**2,955**	13,796
Income tax effect		**(739)**	(3,449)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**2,216**	10,347
Other comprehensive income for the year, net of tax		**(41,487)**	(34,798)
Total comprehensive income for the year		**(700,173)**	(462,466)
Loss attributable to:			
Owners of the Company		**(658,619)**	(427,668)
Non-controlling interests		**(67)**	–
		(658,686)	(427,668)
Total comprehensive income attributable to:			
Owners of the Company		**(700,106)**	(462,466)
Non-controlling interests		**(67)**	–
		(700,173)	(462,466)
Loss per share	*12*		
Basic		**HK(29.83) cents**	HK(19.39) cents
Diluted		**HK(29.83) cents**	HK(19.39) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Notes	2019 HK$'000	2018 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**280,555**	290,475
Payments for leasehold land held for own use under operating leases		**–**	3,405
Right-of-use assets		**20,670**	–
Interests in associates		**473,672**	393,573
Interests in joint ventures		**172,276**	–
Rental and utility deposits		**64**	58
Financial assets at fair value through profit or loss		**4,266**	1,401,378
Goodwill		**–**	–
Deposits paid		**1,758**	1,395
Deferred tax assets		**50,145**	72,598
Total non-current assets		**1,003,406**	2,162,882
CURRENT ASSETS			
Inventories		**56,341**	57,935
Payments for leasehold land held for own use under operating leases		**–**	124
Trade receivables	*13*	**226,519**	269,119
Contract assets		**–**	32,974
Loan receivables	*14*	**1,363,967**	1,081,403
Note receivables	*15*	**1,184,960**	360,000
Prepayments, deposits and other receivables		**312,656**	426,685
Financial assets at fair value through profit or loss		**329,589**	625,743
Bank balances and deposits		**19,449**	134,031
Total current assets		**3,493,481**	2,988,014
CURRENT LIABILITIES			
Trade payables	*16*	**113,319**	131,139
Other payables and accruals		**245,423**	538,763
Tax payable		**215,133**	137,069
Lease liabilities		**8,767**	–
Borrowings	*17*	**968,256**	765,451
Loan from a related company		**–**	200,000
Loans from directors		**91,055**	86,351
Total current liabilities		**1,641,953**	1,858,773

	Notes	**2019**	2018
		HK$'000	*HK$'000*
NET CURRENT ASSETS		**1,851,528**	1,129,241
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,854,934**	3,292,123
NON-CURRENT LIABILITIES			
Lease liabilities		**9,660**	–
Borrowings	*17*	**660,000**	440,000
Deferred tax liabilities		**6,492**	5,972
Total non-current liabilities		**676,152**	445,972
NET ASSETS		**2,178,782**	2,846,151
CAPITAL AND RESERVES			
Share capital	*18*	**220,800**	220,800
Reserves		**1,910,412**	2,625,351
Equity attributable to owners of the Company		**2,131,212**	2,846,151
Non-controlling interests		**47,570**	–
TOTAL EQUITY		**2,178,782**	2,846,151

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**").

As at 31 December 2019, in the opinion of the Directors, the Company has no immediate and ultimate holding company.

The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

During the Year, the Group was involved in the following activities:

- 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.

2. ADOPTION OF HKFRSs

Adoption of new/revised HKFRSs – effective on 1 January 2019

The Hong Kong Institute of Certified Public Accountants has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatment
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKFRS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 3, Business Combination
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKFRS 11, Joint Arrangements
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 12, Income Taxes
Annual Improvements to HKFRSs 2015-2017 Cycle	Amendments to HKAS 23, Borrowing Costs

The impact of the adoption of HKFRS 16 Leases has been summarised in below. The other new or amended HKFRSs that are effective from 1 January 2019 did not have any significant impact on the Group's accounting policies. The Group has not applied any new or revised HKFRSs that is not yet effective for the Year.

HKFRS 16, Leases ("HKFRS 16")

(i) Impact of adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases ("**HKAS 17**"), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease ("**HK(IFRIC)-Int 4**"), HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee's perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor's perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group's accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to section (ii) to (iv) of this note.

The Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of accumulated losses at the date of initial application. The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following tables summarised the impact of transition to HKFRS 16 on statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows (increase/(decrease)):

	HK$'000
Statement of financial position as at 1 January 2019	
Right-of-use assets	22,599
Payments for leasehold land held for own use under operating leases	(3,529)
Lease liabilities (non-current)	9,849
Lease liabilities (current)	9,221

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 at the end of 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the statement of financial position as at 1 January 2019:

	HK$'000
Reconciliation of operating lease commitments to lease liabilities	
Operating lease commitments as of 31 December 2018	23,889
Less: short term leases for which lease terms end within 31 December 2019	(319)
Less: future interest expenses	(4,500)
Total lease liabilities as of 1 January 2019	19,070

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position as at 1 January 2019 is 12.45%.

(ii) The new definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for the lease component and any associated non-lease components as a single lease component for all leases.

(iii) Accounting as lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable: (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

(iv) Transition

As mentioned above, the Group has applied HKFRS 16 using the cumulative effect approach and recognised all the cumulative effect of initially applying HKFRS 16 as an adjustment to the opening balance of accumulated losses at the date of initial application (1 January 2019). The comparative information presented in 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The Group has recognised the lease liabilities at the date of 1 January 2019 for leases previously classified as operating leases applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2019.

The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments recognised in the statement of financial position immediately before 1 January 2019.

The Group has applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int 4.

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKAS 19 – Plan amendments, curtailment or settlement

The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company should use updated actuarial assumptions to determine its current service cost and net interest for the period. Additionally, the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

Amendments to HKAS 28 – Long-term Interests in Associates and Joint Ventures

The amendment clarifies that HKFRS 9 applies to long-term interests ("**LTI**") in associates or joint ventures which form part of the net investment in the associates or joint ventures and stipulates that HKFRS 9 is applied to these LTI before the impairment losses guidance within HKAS 28.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRS**"), 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 consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

(b) Basis of measurement and going concern assumption

The consolidated 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.

During the year ended 31 December 2019, the Group recorded consolidated net loss of approximately HK$658,686,000 and had net cash flows used in operating activities of HK$28,585,000. As at 31 December 2019, the Group had cash and cash equivalents of approximately HK$19,449,000, and outstanding interest bearing borrowings of approximately HK$1,628,256,000, of which HK$968,256,000 were due for repayment or renewal within the next twelve months after 31 December 2019. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company consider the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis after taking into consideration of the followings:

i) enhancing the collection of loan and note receivables by monitoring repayments when they fall due;

ii) The Group will actively negotiate with the lenders for debts restructuring and the renewal of the Group's borrowings when they fall due in order to secure necessary funds to meet the Group's working capital and financial requirements in the foreseeable future. In the opinion of the Directors, the Group will be able to roll over or refinance the borrowings upon their maturity;

iii) taking steps to reduce discretionary expenses and administrative costs;

iv) identifying new investment and business development opportunities to increase the Group's profitability; and

v) the Group is actively exploring the availability of various sources of financing.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect to these adjustments has not been reflected in the consolidated financial statements.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

4. SEGMENT REPORTING

(a) Reportable segments

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

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

Manufacturing segment	–	Manufacture and sales of printed circuit boards
Treasury investments segment	–	Investment in securities and other related activities
Financial services segment	–	Advisory on securities, asset management and consultancy and corporate solution services

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

	Manufacturing		Treasury investments		Financial services		Total	
	2019	2018	**2019**	2018	**2019**	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**425,091**	513,467	**(216,150)**	(207,408)	**–**	82,833	**208,941**	388,892
Reportable segment loss	**(25,922)**	(15,808)	**(442,800)**	(305,383)	**(103,320)**	(125,000)	**(572,042)**	(446,191)
Interest income	**43**	58	**149,928**	232,850	**–**	–	**149,971**	232,908
Finance costs	**(14,761)**	(14,258)	**(64,451)**	(72,312)	**–**	–	**(79,212)**	(86,570)
Depreciation of property, plant and equipment	**(14,007)**	(14,611)	**(2,111)**	(1,677)	**–**	(669)	**(16,118)**	(16,957)
Depreciation of right-of-use assets	**(3,851)**	–	**(5,982)**	–	**–**	–	**(9,833)**	–
Release of payments of leasehold land held for own use under operating lease	**–**	(127)	**–**	–	**–**	–	**–**	(127)
(Write-down)/reversal of write–down of inventories	**(1,261)**	4,882	**–**	–	**–**	–	**(1,261)**	4,882
Share of results of associates	**–**	–	**10,996**	139,664	**–**	–	**10,996**	139,664
Share of results of joint ventures	**–**	–	**811**	–	**–**	–	**811**	–
Impairment loss on trade receivables	**(274)**	(64)	**(16,715)**	–	**(17,979)**	–	**(34,968)**	(64)
Impairment loss on loan receivables	**–**	–	**(118,256)**	(177,564)	**–**	–	**(118,256)**	(177,564)
Impairment loss on note receivables	**–**	–	**(22,014)**	–	**–**	–	**(22,014)**	–
Impairment loss on other receivables	**–**	–	**–**	–	**(10,145)**	(189,597)	**(10,145)**	(189,597)
Impairment loss on loans to associates	**–**	–	**–**	(36,429)	**–**	–	**–**	(36,429)
Impairment loss on investment in an associate	**–**	–	**(1,566)**	–	**–**	–	**(1,566)**	–
Impairment loss on goodwill	**–**	–	**(17,088)**	–	**–**	–	**(17,088)**	–
Bad debts written off	**–**	–	**(6,650)**	–	**(75,196)**	–	**(81,846)**	–
Net (loss)/gain on disposal of property, plant and equipment	**–**	1,337	**(2,809)**	–	**–**	–	**(2,809)**	1,337
Reportable segment assets	**475,216**	500,251	**3,594,758**	3,914,963	**414,830**	628,285	**4,484,804**	5,043,499
Interests in associates	**–**	–	**473,672**	393,573	**–**	–	**473,672**	393,573
Interests in joint ventures	**–**	–	**172,276**	–	**–**	–	**172,276**	–
Additions to non-current assets	**13,939**	28,280	**168,712**	7,481	**–**	–	**182,651**	35,761
Reportable segment liabilities	**(450,450)**	(409,986)	**(1,540,628)**	(1,351,317)	**(111,894)**	(406,373)	**(2,102,972)**	(2,167,676)

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

	2019	2018
	HK$'000	*HK$'000*
Profit or loss		
Reportable segment loss	**(572,042)**	(446,191)
Equity-settled share-based compensation benefits	**14,833**	12,341
Other unallocated staff cost	**(45,391)**	(75,729)
Consolidated loss before income tax (expense)/credit	**(602,600)**	(509,579)

	2019	2018
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**4,484,804**	5,043,499
Unallocated bank balances and deposits	**12,083**	107,397
Consolidated total assets	**4,496,887**	5,150,896

	2019	2018
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**2,102,972**	2,167,676
Tax payable	**215,133**	137,069
Consolidated total liabilities	**2,318,105**	2,304,745

(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	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**(211,901)**	(200,188)	**197,766**	13,170
The People's Republic of China ("**PRC**")	**142,337**	269,011	**466,626**	476,476
Singapore	**21,569**	16,342	**–**	–
Thailand	**174**	160	**–**	–
Malaysia	**2,063**	2,398	**–**	–
Germany	**47,085**	66,348	**–**	–
Poland	**24,678**	722	**–**	–
Other Europe Countries	**93,746**	108,564	**–**	–
United States of America	**24,792**	33,141	**–**	–
Korea	**2,477**	9,831	**–**	–
Japan	**57,346**	66,801	**–**	–
Others	**4,575**	15,762	**–**	–
Total	**420,842**	589,080	**466,626**	476,476
	208,941	388,892	**664,392**	489,646

Note:

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

(c) Information about major customers

Revenue from major customers who have individually contributed to 10% or more of the total revenue of the Group are disclosed as follows:

	2019	2018
	HK$'000	*HK$'000*
Customer A[1,3]	**N/A**	94,659
Customer B[4]	**57,285**	66,637
Customer C[4]	**37,294**	50,134
Customer D[4]	**39,757**	40,557
Customer E[2,4]	**30,368**	N/A
Customer F[2,3]	**27,123**	N/A
Customer G[2,4]	**25,519**	N/A
Customer H[2,4]	**24,678**	N/A
Customer I[2,3]	**21,986**	N/A
Customer J[2,3]	**21,986**	N/A

1 The customer contributed less than 10% of the Group's revenue for the Year.

2 These customers contributed less than 10% of the Group's revenue for the year ended 31 December 2018.

3 Included in the treasury investment and financial service segments.

4 Included in the manufacturing segment.

5. REVENUE

An analysis of revenue is as follows:

	2019	2018
	HK$'000	*HK$'000*
Revenue from contracts with customers:		
Sales of goods	**425,091**	513,467
Corporate solution service income *(Note)*	**–**	19,763
Management fee and performance fee income	**–**	63,070
Total revenue from contracts with customers	**425,091**	596,300
Revenue from other sources:		
Fair value loss on trading purpose equity investments at fair value through profit or loss ("**FVTPL**"), net		
– Realised loss	**(228,439)**	(14,843)
– Unrealised loss	**(137,584)**	(425,277)
	(366,023)	(440,120)
Interest income		
– Loan and note receivables	**141,040**	232,712
– Loan to an associate	**8,833**	–
Total revenue from other sources	**(216,150)**	(207,408)
	208,941	388,892

Note:

Corporate solution services income mainly represent investment referral, financial services and other consultancy related services income.

6. OTHER INCOME

	2019	2018
	HK$'000	*HK$'000*
Bank interest income	**98**	196
Service income	**1,181**	1,353
Investment income	**28,715**	36,000
Government grants *(Note)*	**1,508**	1,266
Tooling income	**2,643**	2,829
Others	**1,895**	1,766
	36,040	43,410

Note: Government grants mainly represent reimbursement of export credit insurance paid under a concession policy in Guangdong province, the PRC.

7. OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Net exchange gain/(losses)	**3,127**	(6,716)
Impairment loss on trade receivables	**(34,968)**	(64)
Impairment loss on other receivables	**(10,145)**	(189,597)
Impairment loss on loan receivables	**(118,256)**	(177,564)
Impairment loss on note receivables	**(22,014)**	–
Impairment loss on loans to associates	**–**	(36,429)
Impairment loss on investment in an associate	**(1,566)**	–
Impairment loss on goodwill	**(17,088)**	–
Unrealised fair value gain/(loss) on non-trading purpose financial assets at FVTPL	**37,365**	(332,813)
Unrealised fair value gain on derivative financial asset	**–**	293,000
Realised fair value gain on call option	**–**	102,407
Bad debts written off	**(81,846)**	–
Net (loss)/gain on disposal of property, plant and equipment	**(2,809)**	1,337
	(248,200)	(346,439)

8. FINANCE COSTS

	2019	2018
	HK$'000	*HK$'000*
Interests on:		
– Lease liabilities	**2,927**	–
– Borrowings	**66,992**	74,613
– Loan from a related company	**3,156**	6,000
– Loans from a director	**6,137**	5,957
	79,212	86,570

9. LOSS BEFORE INCOME TAX (EXPENSE)/CREDIT

This is arrived at after charging/(crediting):

	2019	2018
	HK$'000	*HK$'000*
Auditor's remuneration	**2,383**	3,078
Cost of inventories recognised as expenses	**218,391**	277,259
Write-down/(reversal of write-down) of inventories (included in cost of sales)	**1,261**	(4,882)
Employee costs *(Note 10)*	**149,252**	182,515
Depreciation of property, plant and equipment	**16,118**	16,957
Depreciation of right-of-use assets*	**9,833**	–
Release of payments for leasehold land held for own use under operating leases*	**–**	127
Short term lease expenses	**319**	–
Gain on modification of lease	**(104)**	–
Minimum lease payments under operating leases on land and buildings under HKAS 17*	**–**	12,604

* *The Group has initially applied HKFRS 16 using the cumulative effect approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information has not been restated. See note 2.*

10. EMPLOYEE COSTS

	2019	2018
	HK$'000	*HK$'000*
Employee costs (including directors' remuneration) comprise:		
– Wages and salaries	**139,654**	179,586
– Contributions to retirement benefits scheme	**20,011**	11,626
– Equity-settled share-based compensation benefits	**(14,833)**	(12,341)
– Other staff benefits	**4,420**	3,644
	149,252	182,515

11. INCOME TAX (EXPENSE)/CREDIT

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

	2019 *HK$'000*	2018 *HK$'000*
Current tax – PRC Enterprise Income Tax – tax for the year	**19,674**	24,133
Current tax – Hong Kong Profits Tax – tax for the year	**13,959**	45,408
Deferred tax	**22,453**	(151,452)
Income tax expense/(credit)	**56,086**	(81,911)

Hong Kong profits tax has been provided at the rate of 16.5% on estimated assessable profits arising from Hong Kong during 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% (2018: 25%).

12. LOSS PER SHARE

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

Loss

	2019 *HK$'000*	2018 *HK$'000*
Loss for the purpose of basic and diluted loss per share	**(658,619)**	(427,668)

Number of shares

	2019	2018
Weighted average number of ordinary shares for the purpose of basic loss per share	**2,208,000,000**	2,205,073,973
Effect of dilutive potential ordinary shares: – share award scheme	**N/A**	N/A
Weighted average number of ordinary shares for the purpose of diluted loss per share	**2,208,000,000**	2,205,073,973

No adjustment is made to the basis loss per share for the year ended 31 December 2019 and 2018 as the dilutive potential ordinary shares have an anti-dilutive effect on the basic loss per share amounts presented.

13. TRADE RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables	**263,153**	270,804
Less: Allowance for doubtful debts	**(36,634)**	(1,685)
	226,519	269,119

Customers of manufacturing segment are generally granted with credit terms of 30 to 120 days while no credit period will normally be granted to customers in treasury investment and financial service segments. 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:

	2019	2018
	HK$'000	*HK$'000*
0 – 30 days	**39,983**	53,315
31 – 60 days	**42,123**	35,676
61 – 90 days	**27,269**	30,311
Over 90 days	**117,144**	149,817
	226,519	269,119

14. LOAN RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Secured loan *(Note (a))*	**1,659,787**	1,083,483
Entrusted loan *(Note (b))*	**–**	175,484
	1,659,787	1,258,967
Less: Allowances for doubtful debts	**(295,820)**	(177,564)
	1,363,967	1,081,403

Notes:

(a) The balance represents secured loans to independent third party corporate borrowers which bear fixed interest rates ranging from 9% to 36% (2018: 9% to 36%) per annum with loan period ranging from 12 months to 24 months. These loans were secured by the following:

- fund investments of a borrower;
- interests in certain properties of a borrower;
- equity investment owned by the shareholder of a borrower;

- listed shares owned by related companies of a borrower;
- issued share capital of group companies of the borrowers;
- interest in rights to use of a number of sea areas in the PRC owned by the group companies of the borrowers; and
- personal guarantees executed by the shareholders or key management personnel of the borrowers.

(b) On 16 August 2017, the Group entered into the entrusted loan agreement pursuant to which the Group agreed to grant the entrusted loan to an independent third party borrower (the "**Borrower**") in the amount of RMB150,000,000 (equivalent to HK$175,484,000) for a term of two years (the "**Loan**"), which carries an expected rate of return of 18% per annum. The Loan was secured by (a) a pledge over the entire equity interest in the Borrower by its sole equity holder; and (b) a charge created on certain land use rights on a piece of a land located in the PRC, held by the Borrower.

(c) Included in the loan receivables is a short-term interest-free loan amounted to HK$20,000,000 which was lent to a bond issuer as mentioned in Note 15. This loan is secured by the borrower's interest in certain bonds issued by a company listed on the Stock Exchange.

15. NOTES RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Secured	**1,206,974**	360,000
Less: Allowances for doubtful debts	**(22,014)**	–
	1,184,960	360,000

The Group subscribed from third party issuers 5% – 10% fixed redeemable coupon bonds. Both the principal and interests on the bonds are repayable within the next year. The bonds are secured by an issuer's interests in certain bonds issued by a company listed on the Stock Exchange and personal guarantee executed by the directors of certain issuers.

16. TRADE PAYABLES

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

	2019	2018
	HK$'000	*HK$'000*
0 – 30 days	**31,162**	23,435
31 – 60 days	**24,960**	21,896
61 – 90 days	**26,314**	24,946
Over 90 days	**30,883**	60,862
	113,319	131,139

The trade payables are non-interest-bearing and are normally settled on terms of 60 to 120 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

17. BORROWINGS

	2019	2018
	HK$'000	*HK$'000*
Secured bank loans repayable within one year *(Note (a))*	**139,367**	120,049
Other loans, unsecured *(Note (b))*	**640,000**	890,000
Other loans, secured *(Note (c))*	**848,889**	195,402
	1,628,256	1,205,451
Current portion	**968,256**	765,451
Non-current portion	**660,000**	440,000
	1,628,256	1,205,451

Notes:

(a) The bank loans are secured by certain buildings and right-of-use assets in respect of leasehold land held by the Group, corporate guarantee of the Company and personal guarantee of Mr. Cheok Ho Fung ("**Mr. Cheok**"), an executive director of the Company. As at 31 December 2019, bank loans of approximately HK$139,367,000 (2018: HK$120,049,000) carried fixed interest rate ranged from 2.58% to 4.35% (2018: 1.00% to 4.35%) per annum.

(b) As at 31 December 2019, unsecured other loans with independent third parties amounting to approximately HK$640,000,000 (2018: HK$890,000,000) are unsecured, bear interest at a rate of 3% per annum (2018: 3% to 7.5% per annum) and are repayable within the next twelve months (2018: HK$450,000,000 and HK$440,000,000 of which are repayable within the next twelve months and within the next 2 years respectively).

(c) Secured other loans bear interest at a rate of 5% to 8% per annum (2018: 5% per annum) and HK$188,889,000 and HK$660,000,000 of which are repayable within the next twelve months and within the next 3 years respectively. The balance is secured by:

- Corporate guarantee of the Company;
- Equity interests in certain subsidiaries of the Company;
- The Group's interest in an associate;
- Loan receivables with carrying amount of HK$243,115,000; and
- Shares in a listed company owned by a Cayman fund set up by the Group over which the Group has no control.

18. SHARE CAPITAL

	Number of ordinary shares of HK$0.1 each *('000)*	*HK$'000*
Authorised:		
At 1 January 2018, 31 December 2018 and 2019	**5,000,000**	500,000
Issued and fully paid:		
At 1 January 2018	**2,196,000**	219,600
Issue of award shares *(Note)*	**12,000**	1,200
At 31 December 2018 and 2019	**2,208,000**	220,800

Note:

During the year ended 31 December 2018, 12,000,000 award shares were alloted and issued to Mr. Liu Tingan ("**Mr. Liu**"), an executive director and chief executive officer of the Company, after the vesting conditions of these award shares have been fulfilled in 2017.

19. BUSINESS ACQUISITIONS DURING THE YEAR

On 16 May 2019, the first-tier limited partners in each of Hong Kong Bridge One Belt One Road fixed Income Fund LP ("**Investment Fund I**") and Hong Kong Bridge One Belt One Road Natural Resources Fund LP ("**Investment Fund II**") withdrew from the Investment Fund I and Investment Fund II respectively and the funds have become the subsidiaries of the Company.

On 6 December 2019, the Group acquired 75% of the equity interests of HKBridge Absolute Return Fund, L.P. ("**Absolute Return Fund**"), a company whose principal activity is equity investment. The acquisition was made with the aims to expand the Group's existing equity securities portfolio.

The fair value of identifiable assets and liabilities of the acquirees as at respective dates of acquisition were:

	Investment Fund I	**Investment Fund II**	**Absolute Return Fund**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Loan receivables	223,098	223,667	–	446,765
Note receivables	387,289	386,793	–	774,082
Deposit and other receivables	45,289	47,930	4,812	98,031
Financial assets at FVTPL	–	–	186,029	186,029
Bank balances and deposits	10	10	–	20
Trade and other payables	–	–	(292)	(292)
Tax payable	(25,629)	(25,445)	–	(51,074)
Net identifiable assets	630,057	632,955	190,549	1,453,561
Less: Non-controlling interest	–	–	(47,637)	(47,637)
Net identifiable assets attribute to the Group	630,057	632,955	142,912	1,405,924
The fair value of consideration transfer:				
Cash consideration	–	–	160,000	160,000
Financial assets at FVTPL	630,057	632,955	–	1,263,012
	630,057	632,955	160,000	1,423,012
Goodwill	–	–	17,088	17,088
Impairment loss recognised upon acquisition	–	–	(17,088)	(17,088)
	–	–	–	–

The fair value of loan and note receivables and other receivables amounted to HK$1,318,878,000. The gross amount of these receivables is HK$1,332,210,000 of which loan receivables of HK$4,928,000 and note receivables of HK$8,404,000. None of these receivables have been impaired and were expected to be uncollectible.

The goodwill arising from the acquisition was allocated to Absolute Return Fund, the cash-generating unit, for impairment testing. At the acquisition date, the recoverable amount of the Absolute Return Fund was determined by the directors of the Company with reference to the carrying value of net identifiable assets of the Absolute Return Fund with major asset is investments in listed shares. As a result, an impairment loss on goodwill of HK$17,088,000 was recognised during the Year.

20. SUBSEQUENT EVENT

Since the outbreak of Coronavirus Disease 2019 ("**COVID-19 outbreak**") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the PRC. The epidemic caused temporary disruption in business since then. It may foresee temporary impact on the sale and operation of the manufacturing segment and financial services segment in the first half year of 2020. As at the date of this announcement, the Group was not aware of any material effect on the financial results of the Group as a result of the COVID-19 outbreak. The Group will actively work utmost on epidemic prevention and control, and daily operation management to reduce the impact of the epidemic on the Group's operations and financial performance.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2019:

“Opinion

In our opinion, the consolidated financial statements give a true and fair value of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material uncertainty related to going concern

We draw attention to Note 3(b) to the consolidated financial statements, which indicates that the Group incurred a consolidated net loss of approximately HK$658,686,000 during the year ended 31 December 2019. As stated in Note 3(b), this condition, along with other matters as set forth in Note 3(b) to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect to this matter.”

MANAGENENT DISCUSSION AND ANALYSIS

FINANCIAL PERFORMANCE

For the Year, the Group recorded a total revenue of HK$208.94 million, representing a decrease of approximately 46.27% as compared with the total revenue of HK$388.89 million for the corresponding year in 2018. Such a decrease in revenue was mainly due to the increase in unrealised fair value losses of listed securities incurred by treasury investments segment of the Group and decrease of revenue from financial services segment. The total revenue of the Group for the Year represented by the manufacturing segment and financial services amounted to HK$425.09 million (2018: HK$513.47 million) and HK$Nil million (2018: HK$82.83 million), respectively. The loss for the treasury investments segment was HK$216.15 million (2018: HK$207.41 million).

Loss before income tax for the Year reported a net loss of approximately HK$602.60 million (2018: HK$509.58 million), which was mainly attributable to the realised and unrealised fair value losses on financial investments held for trading through profit or loss ("**FVTPL**") of approximately HK$228.44 million and HK$137.58 million respectively and impairment loss on trade receivables, other receivables, loan receivables and note receivables of HK$185.38 million in total.

Loss attributable to owners of the Company for the Year amounted to approximately HK$658.62 million, as compared with the loss attributable to owners of the Company of approximately HK$427.67 million for the corresponding year in 2018. Basic loss per share attributable to owners of the Company for the Year was approximately 29.83 Hong Kong cents, as compared with the basic loss per share of 19.39 Hong Kong cents for the corresponding year in 2018.

FINAL DIVIDENDS

The Board has resolved not to recommend any declaration of final dividend payment for the Year (2018: HK$Nil).

BUSINESS REVIEW

Manufacturing business

During the Year, the principal business of the Group's manufacturing segment remained unchanged and was involved in the manufacture and sale of a wide range of printed circuit boards ("**PCBs**").

Compared to the revenue for the year of 2018, the sales of goods in the Group's manufacturing segment decreased by approximately 17.21% from approximately HK$513.47 million in 2018 to approximately HK$425.09 million in 2019 whereas its gross profit margin decreased from 11.26% in 2018 to 8.72% in 2019.

Treasury investments

During the Year, the Group's treasury investment team continued to make effective use of its available financial resources in monitoring and making investment/disposal on a wide variety of financial assets including investments in listed and unlisted equities and debt securities, investment in funds, and the provision of financial assistance to independent third parties.

For the Year, the Group's treasury investment segment recorded a loss of approximately HK$442.80 million in the form of realised and unrealised fair value losses and interest income. The substantial fair value losses arising from the adverse market price changes of listed securities held by the Group was mainly due to the downturn of the Hong Kong stock market and the downward share price performance of the individual listed securities during the Year. The impairment losses arisen as a result of the increase in credit-impaired receivables of the treasury investment segment.

Financial services

The Group currently has obtained the licenses to conduct Type 1 (Dealing in Securities), Type 4 (Advising on securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) under section 127(1) of the Securities and Futures Ordinance (Chapter 571, laws of Hong Kong) and to participate in the debt, asset and shareholding restructuring business in the People's Republic of China ("**PRC**").

Asset management

During the Year, the Group continued to act as general partner of several offshore private funds launched by the Group which were related to investments under the concept of One Belt One Road (the "**OBOR**"). Besides, the Group has set up several offshore private funds (the "**HKBridge Funds**") for investments in listed equity security investments and unlisted debt investments.

Up to 31 December 2019, the Group made a total sum of contributions of approximately HK$1.56 billion to some of the funds. Out of the total of 14 investment funds established by the Group during the years of 2017 and 2018, 9 were related to OBOR and 5 were related to HKBridge Funds, the aggregated amount of assets under management was approximately HK$4.11 billion.

The Group gradually started to build its credential in the asset management business and established a solid foundation for further development in the years to come.

Investment, consultancy and corporation solution services

For investment, consultancy and corporation solution services, the Group built up a professional team with investment banking and corporate finance experience and exposures in order to improve the efficiency and quality of services.

During the Year, the Group did not engage in any consultancy and corporate solution services due to the current capital market fluctuations.

FINANCIAL REVIEW

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 the independent third parties.

As at 31 December 2019, the Group had total equity of approximately HK$2,178.78 million (31 December 2018: HK$2,846.15 million) and net debts (trade payables, other payables and accruals, loans from Directors, and borrowings less bank balances and deposits) of approximately HK$2,058.60 million (31 December 2018: HK$2,027.67 million), representing a gearing ratio, defined as net debts over total equity plus net debts, of 48.58% (31 December 2018: 41.60%).

The Group's net current assets of approximately HK$1,851.53 million (31 December 2018: HK$1,129.24 million) consisted of current assets of approximately HK$3,493.48 million (31 December 2018: HK$2,988.01 million) and current liabilities of approximately HK$1,641.95 million (31 December 2018: HK$1,858.77 million), representing a current ratio of 2.13 (31 December 2018: 1.61).

As at 31 December 2019, the Group's current assets consisted of approximately HK$19.45 million (31 December 2018: HK$134.03 million) held as bank balances and deposits, which were mainly denominated in HK$ and RMB.

The Group's manufacturing segment's current assets also consisted of approximately HK$109.09 million (31 December 2018: HK$107.59 million) as trade receivables. Debtors turnover days was 94 days (31 December 2018: 76 days).

The Group's inventories decreased from approximately HK$57.94 million as at 31 December 2018 to approximately HK$56.34 million as at 31 December 2019. Inventory turnover days in the Group's manufacturing segment was 53 days (31 December 2018: 46 days). Trade payables decreased from approximately HK$131.14 million as at 31 December 2018 to approximately HK$113.32 million as at 31 December 2019. Creditors turnover days was approximately 107 days (31 December 2018: 105 days).

Interest-bearing Borrowings

The bank loans were secured by certain buildings and right-of-use asset related to leasehold land, corporate guarantee of the Company and personal guarantee of a Director during the Year. As at 31 December 2019, bank loans of approximately HK$139.37 million (31 December 2018: HK$120.05 million) carried fixed interest rates ranging from 2.58% to 4.35% per annum (31 December 2018: 1.00% to 4.35% per annum).

As at 31 December 2019, other loans with independent third parties amounting to approximately HK$640.00 million (31 December 2018: HK$890.00 million) were unsecured, interest-bearing at a rate of 3% per annum (31 December 2018: 3% to 7.5% per annum) and repayable within the next twelve months (2018: HK$450,000,000 and HK$440,000,000 of which are repayable within the next twelve months and within the next 2 years respectively). The remaining balance of other loans was secured by equity interests in certain subsidiaries of the Group's manufacturing segment and other security and guarantee, bearing interest at a rate of 5% to 8% per annum (31 December 2018: 5% per annum) and HK$188,889,000 and HK$660,000,000 of which are repayable within the next twelve months and within the next 3 years respectively.

Apart from the secured borrowings described above, there were loans advanced by Mr. Cheok Ho Fung, an executive Director ("**Mr. Cheok**") of HK$90.05 million at an effective interest rate of 7% per annum (2018: 7% per annum). The maturity date of the aforesaid loans was 2 January 2019 which has been expired without a new loan agreement. The loan is now repayable on demand and is subject to mutual negotiation for extension and repayment terms and conditions in the foreseeable future. Furthermore, there was another loan advanced by Mr. Liu Tingan ("**Mr. Liu**"), an executive Director, of HK$1.00 million which is non-interest bearing and has no fixed terms of repayment. The financial assistances provided by Mr. Cheok and Mr. Liu were connected transactions under Chapter 14A of the Rules ("**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). However, they are fully exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to the Listing Rules.

SIGNIFICANT INVESTMENTS

As at 31 December 2019, the Group held financial assets at FVTPL of approximately HK$333.86 million of which the club debenture of HK$4.27 million was classified as non-current assets and the listed equity investments of HK$329.59 million was classified as current assets in the Consolidated Statement of Financial Position of the Group.

Subscription of Interest in Funds

Listed below are the particulars of the Group's major unlisted fund investments:

Name of unlisted funds	*Notes*	Location	Cost/ Fair value as at 1 January 2019 *(HK$'000)*	Subscribe/ (Disposal) during the year *(HK$'000)*	Fair value as at 31 December 2019 *(HK$'000)*	Approximate percentage of investments attributable to the Group's total assets	Return for the year ended 31 December 2019 *(HK$'000)*	Fair value (loss)/gain for the year ended 31 December 2019 *(HK$'000)*
Partners Special Opportunities Fund I (the "**Partners Fund**")	*(a)*	Cayman Islands	207,187	(171,465)	N/A	N/A	–	(35,722)
Huarong International Fortune Innovation LP (the "**Huarong Fund**")	*(b)*	Cayman Islands	–	–	–	0.00%	–	–
Hong Kong Bridge One Belt One Road Natural Resource Fund LP (the "**Natural Resource Fund**")	*(c)*	Cayman Islands	595,000	(632,955)	N/A	N/A	N/A	37,955
Hong Kong Bridge One Belt One Road Fixed Income Fund LP (the "**Fixed Income Fund**")	*(d)*	Cayman Islands	595,000	(630,057)	N/A	N/A	N/A	35,057

(a) Partners Fund

On 25 January 2017, the Group contributed HK$200 million into the Partners Fund. The Partners Fund is managed by Grand Highlight Investments Limited (Partners Investment Management Limited tendered its resignation as the manager of the Partners Fund with effect from 4 September 2019), with the objective of generating long term capital appreciation for its investors. The subscription of the Partners Fund constituted a disclosable transaction under Chapter 14 of the Listing Rules and further details of which were set out in the Company's announcements dated 25 January 2017 and 22 October 2019 respectively.

According to the placing memorandum of the Partners Fund, the investment objective of the Partner Fund is to generate long term capital appreciation for its shareholders and the Partners Fund will seek to achieve its investment objective primarily by investing in debt securities or equity securities of both private and listed companies in Hong Kong or elsewhere or in such other financial instruments as the investment adviser(s) may determine. The Group received the cumulated return from Partners Fund of HK$36,000,000 as at 31 December 2019.

With reference to the investment objectives of the Partners Fund and the extensive experience and skills of the directors of the Partners Fund and the manager, the Board believes that the subscription of the Partners Fund will enable the Group to capture investment opportunities and further diversify the Group's investment portfolio. The subscription is also in alignment with the Group's expansion plan on carrying out financial investments by investing in high yield equity and debt products to maximise the long-term investment return of the Group. During the Year, the Group obtained joint control of the Partners Fund. The Partners Fund has been transferred to "Investments in joint ventures" since then.

(b) Huarong Fund

On 10 April 2017, the Group contributed HK$340 million in Huarong Fund as one of the limited partners. Huarong Fund is managed by Huarong International Capital Limited, an exempted company incorporated in the Cayman Islands with limited liability. The net proceeds raised by Huarong Fund were used to acquire not more than HK$2.23 billion of shares in Fullshare Holdings Limited, a company of which the shares are listed on the Stock Exchange (HKSE: 607), and such other assets with mutual consent by all limited partners of Huarong Fund. The contributions made to Huarong Fund constituted a disclosable transaction under Chapter 14 of the Listing Rules and further details of which were set out in the Company's announcements dated 23 December 2016, 8 December 2017, 11 December 2017, 26 March 2018, 3 July 2018, 2 October 2018, 3 January 2019, 16 August 2019 and 22 October 2019 respectively.

Pursuant to a share charge agreement entered into on 22 March 2017 with two certain chargers which are independent parties of the Group, 69,120,000 Zall Shares (as defined below) were provided in favour of the Group's subscription of interest in Huarong Fund as security for the full and punctual performance of all the secured liabilities. The Group recognised the fair value of Zall Shares of HK$293,000,000 as derivative financial asset as at 31 December 2018.

As at 31 December 2019, with reference to the substantial fair value losses arising from the adverse market price changes of the listed securities held by Huarong Fund, the fair value of the investment in Huarong Fund was zero (2018: zero) if the distribution net sale proceeds of the Huarong Fund was calculated.

The Group is in the process of litigation in connection with the Huarong Fund. Further announcement(s) will be published regarding any significant developments on the litigation as and when appropriate.

(c) Natural Resource Fund

On 14 May 2017 and 12 March 2018, the Group contributed HK$220 million and HK$375 million respectively in Natural Resource Fund, while the Group also acted as the general partner of the Natural Resource Fund, as the second-tier Limited Partners. Further details of the Natural Resource Fund were set out in the Company's announcements dated 14 May 2017, 12 March 2018 and 22 October 2019 respectively.

According to the Amended and Restated Limited Partnership Agreement of the Natural Resource Fund, the primary purpose of the Natural Resource Fund is to achieve long-term capital appreciation, principally through investing in equity, equity-related investments, fixed income securities, debt instruments and loans in connection with energy, mining or agricultural businesses, or infrastructure relating to any of the foregoing.

On 16 May 2019, all parties of the Natural Resource Fund entered into a memorandum of understanding to agree that the first-tier limited partner has withdrawn from the partnership and have no further or continuing interests in the partnership upon receipt of all contributions and returns on 29 March 2019. Under such circumstances and according to the accounting policy of the Group, the investment in Natural Resource Fund shall be derecognized from financial assets at FVTPL and its assets, liabilities and results have been consolidated to the Group since then.

With reference to the investment objectives of the Natural Resource Fund, the general partner continues to look for a new first-tier partner to expand the fund investing activities. The Board considers that all the subscription of interests in the Natural Resource Fund were beneficial to the Group and its shareholders as a whole, by generating the returns from medium to long term investments and to enhance the experience of assets management in the coming years.

(d) Fixed Income Fund

On 14 May 2017 and 12 March 2018, the Group contributed HK$220 million and HK$375 million respectively in Fixed Income Fund, while the Group also acted as the general partner of the Fixed Income Fund, as the second-tier Limited Partners. Further details of the Fixed Income Fund were set out in the Company's announcements dated 14 May 2017, 12 March 2018 and 22 October 2019 respectively.

According to the Amended and Restated Limited Partnership Agreement of the Fixed Income Fund, the primary purpose of the Fixed Income Fund is to achieve long-term capital appreciation, principally through investing in fixed income securities, debt instruments and loans, including without limitation loans, convertible bonds, fixed income securities, money market, convertible securities. Further details of the Fixed Income Fund were set out in the Company's announcements dated 14 May 2017, 12 March 2018 and 22 October 2019 respectively.

On 16 May 2019, all parties of the Fixed Income Fund entered into a memorandum of understanding to agree that the first-tier limited partner has withdrawn from the partnership and have no further or continuing interests in the partnership upon receipt of all contributions and returns on 29 March 2019. Under such circumstances and according to the accounting policy of the Group, the investment in Fixed Income Fund shall be derecognized from financial assets at FVTPL and its assets, liabilities and results have been consolidated to the Group since then.

With reference to the investment objectives of the Fixed Income Fund, the general partner continues to look for a new first-tier partner to expand the fund investing activities. The Board considers that all the subscription of interests in the Fixed Income Fund was beneficial to the Group and its shareholders as a whole, by generating the returns from medium to long term investments and to enhance the experience of assets management in the coming years.

Subscription of Listed Securities

Listed below are the particulars of the Group's major listed equity investment:

				As at 31 December 2019				For the year ended 31 December 2019		
Name of investees	*Notes*	**Number of shares**	**Approximate percentage of interest held**	**Cost/ Fair value as at 1 January 2019** *(HK$'000)*	**Market prices**	**Market value** *(HK$'000)*	**Approximate percentage of investments attributable to the Group's total assets**	**Dividend received** *(HK$'000)*	**Disposal loss** *(HK$'000)*	**Fair value loss** *(HK$'000)*
SuperRobotics Limited (HKSE: 8176) ("**SuperRobotics**") (the "**SuperRobotics Shares Batch 1**")	*(e)*	64,148,063	12.67%	186,029	2.90	186,029	4.14%	N/A	N/A	N/A
SuperRobotics Limited (HKSE: 8176) ("**SuperRobotics Shares Batch 2**")	*(f)*	41,666,666	8.23%	250,000	2.90	120,833	2.69%	N/A	N/A	(129,167)
Huarong Investment Stock Corporation Limited (HKSE: 2277) ("**Huarong**")	*(g)*	84,170,000	4.63%	31,143	0.27	22,726	0.51%	N/A	N/A	(8,417)
Crown International Corporation Limited (HKSE: 727) ("**Crown**")	*(h)*	60,000,000	1.75%	51,600	N/A	N/A	N/A	N/A	(3,600)	N/A
Zall Smart Commerce Group Limited (HKSE: 2098) ("**Zall**")	*(b) & (i)*	69,120,000	0.59%	293,000	N/A	N/A	N/A	N/A	(224,839)	N/A

(e) Absolute Return Fund

On 6 December 2019, the Group entered into a deed of adherence and assignment, pursuant to which the Group acquired the interest of 75% of HKBridge Absolute Return Fund, L.P. (the "**Absolute Return Fund**") at the consideration of HK$160,000,000 to become one of the limited partners, while the Group also acted as the general partner and manager of the Absolute Return Fund. The fair value of SuperRobotics Shares Batch 1 being asset/portfolio investment under the Absolute Return Fund at the date of acquisition amounted to HK$186,029,000. Further details of the Absolute Return Fund were set out in the Company's announcement dated 6 December 2019. The Absolute Return Fund has become a subsidiary of the Group since 6 December 2019.

The Absolute Return Fund's investment objective is to generate returns by investing all or substantially all its assets in equity securities of portfolio companies in the industry of in-flight wireless network engineering and services with their main business in Hong Kong (the "**Portfolio Investment**"). The Absolute Return Fund may choose to invest all or substantially all of its assets in a single investment. It is therefore possible that the underlying investments of the Portfolio Investment will be concentrated.

With reference to the investment objectives of the Absolute Return Fund, the Absolute Return Fund currently holds the Portfolio Investment in relation to the broad application of artificial intelligence technology in telecommunications and the construction of intelligent cities. The general partner and manager are continuing to research on the industry of high and new technology to expand the fund investing activities. The Board considers that the subscription of interests in the Absolute Return Fund was beneficial to the Group and its shareholders as a whole, by generating the returns from medium to long term investments and to enhance the experience of assets management in the coming years.

(f) SuperRobotics Shares Batch 2

On 23 November 2016, the Group agreed to enter into a placing letter with a placing agent, pursuant to which, among others, the Group (i) subscribed for a total number of 35,416,666 shares in SuperRobotics at a subscription price of HK$4.80 each, of which its shares are listed on the GEM of the Stock Exchange (stock code: 8176) and (ii) acquired 6,250,000 SuperRobotics Shares from New Cove Limited (a then substantial shareholder of SuperRobotics) at a purchase price of HK$4.80 each. On 5 December and 14 December 2016, the above two transactions 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. Further details of the subscription and acquisition of SuperRobotics Shares Batch 2 were set out in the Company's announcement dated 23 November 2016.

The principal activities of SuperRobotics are the provision of engineering products and related services and the sales of beauty products and provision of therapy services.

The Board noted that the robust development of the robotic industry in the PRC represents an enormous potential for market expansion for SuperRobotics in the future. The construction of intelligent cities has been in full swing based upon the artificial intelligent technology. The wide application of intelligent robotics covers from police use to various aspects such as services and security. The investment team of the Group considered that the long-term investment in SuperRobotics would generate the returns to the Group after the realization and the large-scale expansion of the use of relevant technologies in the future.

(g) Huarong Shares

On 8 December 2017, the Group acquired a total number of 88,000,000 shares ("**Huarong Shares**") in Huarong (whose shares are listed on the Stock Exchange (HKSE: 2277)) through a broker from an independent third party at a price of HK$0.90 per share. The total consideration of HK$79.20 million for the acquisition of Huarong Shares was financed by the net proceeds received from the exercise of a put option during 2017. On 5 February 2018 and 6 February 2018, the Group further acquired a total of 2,600,000 Huarong Shares at the average price of HK$1.32 per share through a broker from an independent third party. Further details of the acquisition in 2017 were set out in the Company's announcement dated 8 December 2017.

The principal activities of Huarong are direct investments, financial services and others and foundation and substructure construction services.

Due to the unexpected continuing downturn share price performance of Huarong, the Group's investment team decided to minimise the continuing unrealised losses by completing the disposal of a total number of 6,430,000 Huarong Shares through a broker at the total consideration of approximately HK$3.35 million during the year of 2018.

The Board noted that Huarong generated a stable revenue from direct investment and financial services but suffered significant impairment losses in financial investments. The investment team of the Group considered that the core business operation of Huarong would be improved in the future.

(h) Crown Shares

On 28 December 2017, the Group acquired a total number of 80,000,000 shares ("**Crown Shares**") in Crown (whose shares are listed on the Stock Exchange (HKSE: 727)) from an independent third party at the total consideration of HK$70.00 million. Such acquisition did not constitute a notifiable transaction on the part of the Company pursuant to Chapter 14 of the Listing Rules. On the same date, the Group entered into a put option arrangement pursuant to which the grantor of the put option agreed to purchase the Crown Shares from the Group at a predetermined agreed exercise price.

The principal activities of Crown are investment in property, property development, hotel operations, and financial consultancy services in the PRC.

During the years of 2018 and 2019, the Group decided to minimise the continuing unrealised losses by completing the disposal of all 80,000,000 Crown Shares to recover the total amount of HK$70.00 million. The Group has received the amount of the abovesaid consideration and ceased to have interest in Crown Shares since January 2019.

(i) Zall Shares

Shares of Zall ("**Zall Shares**") are the pledged securities in favour of the Group as security of the Group's investment in Huarong Fund.

The principal activities of Zall are the business in constructing and operating B2B trading platforms for consumer goods, agricultural products, chemicals, plastic raw materials, black and nonferrous metals, etc., and to provide services such as finance, property, logistics, cross-border trading and supply chain management based on the trading scenario and transaction data, and also to develop and operate large-scale, consumer product focused wholesale shopping malls.

During the Year, the Board continued to evaluate the risk of the recoverability of the principal amount of the investment. To minimize the loss of investment in Huarong Fund, the Group has disposed of all 69,120,000 Zall Shares through a broker for approximately HK$68,324,451 during the Year.

PROVISION OF FINANCIAL ASSISTANCE

During the Year, the Group also engaged in the provision of financial assistance to some independent third parties. As at 31 December 2019, the total outstanding receivables in relation to this activity amounted to approximately HK$2,548.93 million (31 December 2018: HK$1,441.40 million) and those transactions that were summarised below were relatively significant to the Group at the time of entering into the relevant agreements between the Group and those relevant independent third parties respectively.

Zhanjiang Advance

On 22 March 2017, the Group entered into a loan facility agreement with 湛江市鼎盛房地產開發有限公司 ("**Zhanjiang Borrower**") and the guarantors for the provision of a loan facility of not more than RMB200 million ("**Loan Facility**").

Due to the default of repayment and failure of the negotiation for the settlement of the Loan Facility, the Group filed a statement of claims（起訴狀）on 30 June 2019 at the Intermediate People's Court of Shaoguan（韶關市中級人民法院 ("**Shaoguan Court**") against the Zhanjiang Borrower and the guarantors to claim for the principal amount of the Loan Facility of RMB200.00 million and the interest accrued which remained outstanding amounted to approximately RMB60.75 million as at 30 June 2019. Subsequent to the filing, the Group received a notice of acceptance for litigation proceedings（受理案件通知書）issued by Shaoguan Court on 16 July 2019. On 24 July 2019, the Group paid the required litigation fee to Shaoguan Court to confirm the first hearing of the said litigation proceedings which was originally scheduled to be held on 20 August 2019, but was adjourned to be held on 14 January 2020. Details in relation to the provision of financial assistance and legal proceedings were set out in the Company's announcements dated 22 March 2017 and 25 July 2019 respectively.

On 2 February 2020, the Group was informed by Shaoguans Court that the date of the first hearing of the said litigation proceedings was adjourned to a date and time to be determined in due course due to the outbreak of Coronavirus Disease 2019 ("**COVID-19 outbreak**").

The Group has already taken legal actions in order to claim against the assets of the Zhanjiang Borrower and the guarantors, and will also continue to consult with PRC legal advisors for further legal actions. Further announcement(s) will be made regarding any significant developments on the above litigation as and when appropriate.

Weihai Advance

On 16 August 2017, the Group and a lending agent entered into the entrusted loan agreement pursuant to which the Group agreed to grant the entrusted loan to Weihai Guosheng Runhe Property Development Co. Ltd.（威海國盛潤禾置業有限公司）(“**Weihai Borrower**”), a company established in the PRC with limited liability for the amount of RMB150 million for a term of two years, which carried an expected rate of return of 18% per annum. The provision of financial assistance to the Weihai Borrower constituted a disclosable transaction under Chapter 14 of the Listing Rules and further details of which were set out in the Company’s announcement dated 16 August 2017.

On 8 January 2019, the Group had fully received the principal amount of RMB150 million and all accrued interest from Weihai Borrower.

Zhonghong Advance

On 25 January 2018, the Group entered into a loan agreement with Zhonghong Holding Co., Ltd. (the “**Zhonghong Borrower**”) in the amount of RMB200 million (“**Zhonghong Advance**”). To secure the recovery of the principal amount of the provision of financial assistance and to reduce the risk of impairment loss, on 13 September 2018, the Group filed an application for arbitration proceedings at the Shenzhen Court of International Arbitration (the “**SCIA**”) against Zhonghong Borrower and the relevant guarantors for the breach of the supplemental agreements and the guarantee agreement dated 3 September 2018. On 18 September 2018, the Group received the notice of acceptance for arbitration proceedings issued by the SCIA. Further details of the Zhonghong Advance in relation to the provision of financial assistance and the abovesaid developments on the arbitrations were set out in the Company’s announcements dated 13 February 2018, 19 March 2018, 25 May 2018, 6 September 2018, 20 September 2018 and 3 May 2019 respectively.

The Group will continue to consult with PRC legal advisors for further legal actions against Zhonghong Borrower and the relevant guarantors. Further announcement(s) will be made regarding any significant developments on the above arbitrations as and when appropriate.

Meanwhile, in order to increase the recoverability of the Zhonghong Advance, the Group has been exploring potential buyers or property developers with high reputation during the past two years to set up the restructuring arrangement between Zhonghong Borrower and existing creditors of Zhonghong Borrower.

FOREIGN EXCHANGE EXPOSURE

Sales of the Group’s products in manufacturing segment are principally denominated in US dollars and the purchases of materials and payments of operational expenses are mainly denominated in US dollars, HK dollars and RMB. Most of the Group’s purchases and expenses during the Year are denominated in RMB. As such, the Group had incurred a net exchange gain of HK$3.13 million for the Year (2018: loss of HK$6.72 million) due to the depreciation of RMB.

As at 31 December 2019, the Group had not entered into any financial instruments 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.

RISK AND UNCERTAINTIES

Macroeconomic Risk

The Group is operating in a highly competitive business and economic environment, the manufacturing segment in particular. Manufacturing segment is in a turmoil, being greatly affected by the recent Sino-US trade war and its customers which are highly volatile, combined with the rising labour and production costs. The Group's manufacturing segment has to compete with its competitors on various factors such as product variety, product performance, customer service, quality, pricing, new product innovation, timely delivery and brand recognition.

On the other hand, volatility in the Hong Kong securities market may affect the Group's performance on listed securities investments resulting in fluctuations in unrealised fair value gains or losses. An interest rate hike is likely and will not only affect the Group's cost of borrowings, but also costs of purchase of materials.

Credit Risk

The Group has policies in place to ensure that sales are made and services are provided to customers with an appropriate credit history. The Group mainly trades with recognised and creditworthy third parties. It is the Group's policy that credit terms are granted subject to in-depth credit verification procedures. In addition, trade receivable balances are monitored on an ongoing basis and trade receivable balances of manufacturing segment are substantially covered by credit insurance. In this regard, the management team considers that the Group's credit risk under the manufacturing segment is minimal. Since the Group mainly trades with recognised and creditworthy third parties, there is no requirement for collaterals.

In respect of loans to associates, loan receivables and note receivables, the Group assesses the background and financial conditions of the debtors, and requests securities pledged from the debtors and/or guarantee as collaterals from the debtors' related parties in order to minimise credit risk.

The Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to the failure to perform an obligation by the counterparties arising from the carrying amount of the respective recognised financial assets, was stated in the consolidated statement of financial position of the Group as at 31 December 2019.

Foreign Currency Risk

As the PCBs business is operating in the PRC, the Company faces foreign currency risks due to the exchange gain/loss from exchange rate fluctuations as well as the currency conversion risk due to converted net asset value fluctuations of investment projects in the PRC. To effectively manage the foreign currency risk, the Company closely monitors foreign exchange markets and utilises multiple strategic approaches, such as optimising cash management strategy and deploying project finance instruments, to contain foreign exchange risk.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2019, excluding those employed by the Company's associates, the Group had 1,183 employees (31 December 2018: 1,353 employees). For the Year, our total staff costs amounted to HK$149.25 million (31 December 2018: HK$182.52 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 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 purposes 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 with the interests of those eligible persons directly to shareholders of the Company (the "**Shareholders**") through their ownership of shares in the Company (the "**Shares**"). Further details of the Share Award Scheme in relation to the adoption, amendments and fulfilments were set out in the Company's announcements and circulars dated 17 May 2016, 7 June 2016, 21 June 2016, 5 July 2016, 24 August 2016, 14 September 2016, 30 September 2016, 31 March 2017 and 3 April 2018 respectively.

At the special general meetings held on 20 July 2016 and 27 October 2016 respectively, Mr. Liu and Mr. Zhou as the executive Director of the Company will be entitled under the certain vesting conditions to receive an aggregate of 60,000,000 new Shares in the following five years respectively pursuant to the 2016 Share Award Scheme.

Up to the date of this announcement, 12,000,000 Award Shares for the year of 2016 and 12,000,000 Award Shares for the year of 2017 were issued and vested to Mr. Liu, 12,000,000 unissued Award Shares for the year of 2018 were forfeited. Mr. Liu indicated his willingness to relinquish his right of entitlement to 12,000,000 unissued Award Shares for year of 2019 and 12,000,000 unissued Award Shares for the year of 2020 voluntarily. Furthermore, a total of 12,000,000 Award Shares for the year of 2016 were issued and vested to Mr. Zhou and the remaining 48,000,000 unissued Award Shares became lapsed due to Mr. Zhou ceased to be an executive Director with effect from 26 July 2017.

Mr. Liu, as the executive Director and Chief Executive Officer of the Company, proposed the Board to consider the termination of the 2016 Share Award Scheme in order to reduce the operating cost and due to the changes of the operating strategies of the Group as reported at the Board meeting held on 27 March 2020. The Board resolved (i) to enter into an agreement with Mr. Liu for the termination and cancellation of the remaining 24,000,000 unissued Award Shares, and (ii) to terminate and cancel the 2016 Share Award Scheme, and as a result, no further grant of Award Shares will be made thereunder with effect from 27 March 2020 (the "**Termination**").

CAPITAL COMMITMENTS

As at 31 December 2019, the Group had no significant capital commitments (31 December 2018: HK$Nil).

EVENTS AFTER THE REPORTING YEAR

There are no significant events subsequent to 31 December 2019 which would materially affect the Group's operating and financial performance as of the date of this announcement, except the matters are set forth in Note 20 to the consolidated financial statements.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 17 June 2020 to Monday, 22 June 2020, both days inclusive. In order to qualify for the attendance of the forthcoming annual general meeting of the Company to be held on Monday, 22 June 2020, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 16 June 2020.

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.

CORPORATE GOVERNANCE CODE (THE "CG CODE")

The Directors confirm that, for the Year, the Company acted in compliance with the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules save for the deviation mentioned below:

During the Year, Mr. Liu has been acting as an executive Director, the chairman of the Board as well as the chief executive officer of the Company. 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 separate 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 enable stronger leadership for managing the Company and will carry out effective and efficient management and solid business and strategic planning. The Directors believe that the current arrangement 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 amendments, if necessary, to ensure compliance with the CG Code provisions as set out in the Listing Rules.

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

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

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

The Own Dealing Code has been uploaded to the Company's website.

CHANGES IN THE COMPOSITION OF THE BOARD

Mr. Mao Yumin resigned as a non-executive Director with effect from 21 August 2019 due to his intention to concentrate on the pursuit and development of his other business activities. Further details were set out in the Company's announcement dated 21 August 2019.

With effect from 30 August 2019, Mr. Shan Yongxin has been appointed as an executive Director and a member of the executive committee of the Board and Mr. Li Yongjun has been appointed as a non-executive Director. Further details were set out in the Company's announcement dated 30 August 2019.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the consolidated annual results and financial statements of the Group for the Year, including the significant accounting principles and practices adopted by the Group.

FIGURES IN THIS ANNOUNCEMENT AGREED BY AUDITOR

The figures in respect of the Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for FY2019 as set out in this announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

This annual results announcement is published on the website of The Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.hkbridge.com.hk, respectively. The 2019 annual report of the Company, which contains all the information required by the Listing Rules, will be dispatched to the Shareholders and published on the above websites in due course.

APPRECIATION

On behalf of the Board, the Chairman of the Board 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 Shareholders for their continuing support.

By order of the Board
HKBridge Financial Holdings Limited
Su Zhiyang
Company Secretary

Hong Kong, 27 March 2020

As at the date of this announcement, the Board of directors of the Company comprises Mr. Liu Tingan, Mr. Cheok Ho Fung and Mr. Shan Yongxin, being executive Directors; Mr. Li Yongjun being non-executive Director; and Mr. Ng Man Kung, Mr. Lau Fai Lawrence and Mr. Mak Kwok Kei being independent non-executive Directors.