CARRY WEALTH HOLDINGS LIMITED
恒富控股有限公司
(Incorporated in Bermuda with limited liability)
Website: http://www.carrywealth.com
(Stock Code: 643)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2016

The board of directors (the "Board") of Carry Wealth Holdings Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

Results and Business Review

For the year ended 31 December 2016, the Group's revenue amounted to HK$123.1 million (2015: HK$120.7 million) while gross loss was HK$0.2 million (2015: gross profit of HK$9.1 million). Loss attributable to equity holders was HK$49.7 million (2015: HK$38.0 million). The basic and diluted loss per share were both 6.08 HK cents (2015: both were 4.68 HK cents).

In the first ten months of the year under review, the US economy remained tepid. Following Donald Trump's victory in the presidential election in November, many believed there would be individual and corporate tax reductions, new infrastructure construction and reform on regulations which would lift up productivity and boost economic growth. Consumer optimism reached the highest level in December 2016. While in the Euro zone, the economy as a whole continued to stagnate. In Mainland China, although overall gross domestic product ("GDP") growth was maintained at the government target of 6.7%, consumer confidence and consumption was still very weak with fierce competition to secure domestic customer orders. Despite these divergent market conditions, thanks to the efforts of our sales teams, the Group's revenue from the garment manufacturing and trading business managed to increase by 9.4% to HK$133.1 million (2015: HK$121.7 million) and the gross profit margin slightly decreased by 0.9% to 7.4% (2015: 8.3%) while the gross profit amounted to HK$9.8 million (2015: HK$10.1 million).

Influenced by the slowdown of Mainland China's economy, the Renminbi depreciation, US interest rate hikes as well as two black swan incidents namely Brexit and Donald Trump's election as US President, the Hong Kong stock market was highly volatile in 2016. The Group's securities investment business recorded negative revenue and a gross loss of HK$10.0 million (2015: HK$1.0 million).

The ratio of selling expenses to the garment manufacturing and trading revenue was 2.2% (2015: 2.3%) while administrative expenses slightly increased to HK$42.1 million (2015: HK$41.6 million).

Segmental Analysis

a) Garment manufacturing and trading segment

In the year under review, the Group's factory in Heshan, Mainland China accounted for its entire garment production.

The US job market continued to improve during the review year. The unemployment rate reached 4.7%, the lowest level since 2009. The US annual GDP also grew at a rate of 1.6%. Taking advantage of the emerging opportunity, through the concerted efforts of our sale teams, the Group increased its revenue from US customers by 44.6% to HK$75.3 million (2015: HK$52.1 million), accounting for 56.6% (2015: 42.8%) of the segment revenue.

In the Euro zone, the economy gradually stabilised after the Brexit referendum in June 2016. The European Central Bank extended the bond-purchase programme to stimulate the economy and the overall feedback from the market was positive. The Group managed to increase the revenue from European customers by 107.2% to HK$27.7 million (2015: HK$13.3 million) which accounted for 20.8% (2015: 11.0%) of the segment revenue.

In Mainland China, the slowdown of economic growth worried investors. The value of the Renminbi was weakening and capital outflow was surging. The Group encountered an increasingly significant downward pricing pressure from domestic customers and promptly adjusted by diversifying to customers located overseas. Revenue derived from Mainland China customers decreased by 60.3% to HK$19.1 million (2015: HK$48.0 million), accounting for 14.3% (2015: 39.4%) of the segment revenue.

In summary, revenue from the garment manufacturing and trading segment increased by 9.4% to HK$133.1 million (2015: HK$121.7 million) and recorded a loss of HK$12.1 million (2015: HK$13.2 million).

b) Securities investment segment

The Hang Seng Index rose by 0.4% compared to the year 2015 and closed at 22,000 points on 31 December 2016 (31 December 2015: 21,914 points). In early 2016, the Hong Kong stock market declined due to concern about further slowdown of the economy of Mainland China and volatility in the Renminbi. Since July 2016 the Hong Kong stock market has rebounded on expectations of a delay in US interest rate hikes. With the launch of the Shenzhen-Hong Kong Stock Connect and the news about Mainland China insurers being allowed to invest in Hong Kong stocks through the Stock Connect, market sentiment further improved. Despite these developments, gains in the market were capped by the correction in the Mainland China markets. Coupled with the outcome of the Brexit referendum and Donald Trump's unexpected victory in the US president election, Hong Kong stock market remained highly volatile. Under such market conditions, the Group's securities investment recorded a net fair value loss of HK$11.7 million (2015: HK$2.5 million) and a segment loss of HK$20.8 million (2015: HK$10.0 million) respectively during the review year.

As at 31 December 2016, the Group's financial assets at fair value through profit or loss amounted to HK$108.2 million (31 December 2015: HK$121.6 million) which comprised 23 (31 December 2015: 24) Hong Kong listed corporations across diversified industries. Details of the top five largest listed equity securities held by the Group in terms of market value as at 31 December 2016 are as follows:

Stock code	Listed company	Industry classification	Number of shares	Investment cost	Market value	Market value to the Group's total assets
			Thousands	HK$'000	HK$'000	
01918	Sunac China Holdings Limited	Properties and construction-property development	1,762	10,549	11,365	4.2%
00966	China Taiping Insurance Holdings Company Limited	Financials - insurance	628	13,009	10,043	3.7%
00700	Tencent Holdings Limited	Information technology-e-commerce and internet services	50	7,706	9,485	3.5%
00570	China Traditional Chinese Medicine Holdings Co. Limited	Consumer goods-pharmaceuticals	2,552	12,617	9,162	3.4%
06869	Yangtze Optical Fibre and Cable Joint Stock Limited Company*	Information technology-telecommunication equipment	491	7,536	7,178	2.7%
				51,417	47,233	17.5%

* For identification purpose only

Details of the top five (losses)/gains of listed equity securities held by the Group for the year ended 31 December 2016 are as follows:

Stock code	Listed company	Industry classification	Realised (losses)/gains	Unrealised losses	Total (losses)/gains	Dividends received
			HK$'000	HK$'000	HK$'000	HK$'000
01236	National Agricultural Holdings Limited	Information technology-software	(5,274)	-	(5,274)	-
01317	China Maple Leaf Educational Systems Limited	Consumer services-support services	5,164	(3)	5,161	208
00570	China Traditional Chinese Medicine Holdings Co. Limited	Consumer goods-pharmaceuticals	(224)	(3,455)	(3,679)	164
00966	China Taiping Insurance Holdings Company Limited	Financials-insurance	(260)	(2,966)	(3,226)	-
00806	Value Partners Group Limited	Financials–investment and asset management	(1,340)	(1,506)	(2,846)	171
			(1,934)	(7,930)	(9,864)	543

During the year under review, the Group completed the acquisition of 24.75% equity interest in Phoenix Cloud (Beijing) Technologies Company Limited* ("Phoenix Cloud"), formerly known as Phoenix Cloud Technologies (Beijing) Company Limited*. Phoenix Cloud is engaged in the sale and development of smart card application products and its business in Mainland China was at the initial start-up stage in establishing a customer base. For the year ended 31 December 2016, the Group shared a loss of HK$ 3.6 million related to Phoenix Cloud's operation.

* For identification purpose only

Liquidity and Financial Resources

Adhering to a conservative financial management methodology, the Group continued to maintain a healthy financial position. As at 31 December 2016, the Group's cash and cash equivalents totalled HK$21.5 million (31 December 2015: HK$88.4 million). Working capital represented by net current assets amounted to HK$150.7 million (31 December 2015: HK$220.6 million) of which HK$108.2 million (31 December 2015: HK$121.6 million) were Hong Kong listed equity securites. The Group's current ratio was 5.6 (31 December 2015: 9.1).

As at 31 December 2016 and 2015, the Group had no bank borrowings.

Capital Expenditure

For the year under review, the Group incurred a total capital expenditure of HK$3.7 million (2015: HK$1.9 million), which was mainly for additions to leasehold improvement and motor vehicles.

Foreign Exchange Exposure

The Group's sales are principally transacted in US dollars and Renminbi. With a factory located in Mainland China and offices in Hong Kong and Mainland China, operating expenses of the Group are primarily denominated in Hong Kong dollars and Renminbi with some expenses in US dollars. The Group is mainly exposed to US dollar risk arising from sales transactions of its garments. As the US dollar is pegged to the Hong Kong dollar, exposure to foreign exchange risk is minimal.

The Group will closely monitor fluctuations of the US dollar exchange rates and, if necessary, will enter into forward exchange contracts to reduce currency exchange fluctuation risks.

Credit Policy

Consistent with prevailing industry practice, the Group's business was transacted on an open account basis with its long-standing customers. The credit ratings of customers are constantly reviewed and their respective credit limits adjusted, as and when necessary.

Charges on Assets

As at 31 December 2016 and 2015, the Group had no charges on assets.

Contingent Liabilities

As at 31 December 2016 and 2015, the Group had no contingent liabilities.

Human Resources and Remuneration Policies

The Group provides a harmonious and professional working environment to employees whose commitment and expertise are critical to the long-term success of its business. It also offers employees rewarding careers and provides them with a variety of training programmes aimed at enhancing their professionalism. The Group remunerates employees according to prevailing market practices, individual experience and performance. To attract and retain high calibre employees, it also offers discretionary bonuses and share options to staff members based on performance of the individual as well as the Group.

As at 31 December 2016, the Group had a total of 875 (31 December 2015: 901) full-time employees in Mainland China and Hong Kong.

Environmental, Social and Corporate Governance

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. During the year, the Group has established an environmental, social and governance ("ESG") management team to manage, monitor, recommend and report on environmental and social aspects. An ESG report is being prepared with reference to Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and will be published on the Company's and the Stock Exchange's websites.

The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution. Towards that end, it has encouraged employees, customers, suppliers and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

The Group maintains strong relationships with its employees, has enhanced cooperation with its suppliers and has provided high quality products and services to its customers so as to ensure sustainable development.

Outlook

Uncertainties continue to shroud the world economy in 2017. With the British parliament authorising the start of negotiations to exit the European Union and the newly-inaugurated US president Donald Trump implementing changes in the US foreign and economic policies, the world economy is expected to face unpredictable changes.

In his inauguration speech, Donald Trump's statement that the "American First" strategy is at the top of the agenda and his promise to raise US economic growth to 4% annually have stimulated market sentiments. Positive feedback has been received from large firms such as General Motors Company to invest more in the US. Both consumer and small business confidence have also shot up. Though Trump's protectionist policies may create some hurdles on economic growth, the Group believes the restoration of confidence is important in developing a healthier US market.

Within the Euro zone, the regional economic situation in 2017 depends to a substantial extent on the coming election results within major European countries such as Italy, France and Germany. There is a possibility that these elections will yield unexpected results, as we have seen in 2016, which will inevitably affect the regional economy. Another issue is that the arrival of millions of refugees in the Euro zone could be a catalyst in the local labour market to push up the economy or lead to social and political instability in the region.

While in Mainland China, growth of its economy has decelerated over the last few years and the 2016 GDP only expanded by 6.7 percent, the slowest in 26 years. Although the Central Government has implemented measures to ensure Mainland China's economy remains stable and continues steady growth, the market conditions are still weak. The structural reforms have been implemented for years. Industrial oversupply, local government debts and over-reliance on exports still persist and hinder sound economic growth. Recent government measures including the tightening of liquidity so as to keep the Renminbi stable has encouraged expectations of further currency depreciation and intensified currency outflows. As a result of these factors, investors have concerns about Mainland China's economic outlook. Without firm signs of an economic recovery, the Group believes the Mainland China market will be extremely difficult.

Against such a backdrop, the Group's garment manufacturing and trading business will continue to be challenging and face strong competition in 2017. To prepare for the challenge ahead, the Group will seize every emerging opportunity. With the recent signs of solid economic growth in the US, the Group has further adjusted its strategy and will explore the US garment market more actively. Meanwhile, the Group will continue to streamline its operation and implement cost control measures.

As for the Hong Kong stock market in 2017, it is expected to remain volatile in light of a number of uncertainties and risks. The US Federal Reserve has indicated that the interest rate rises will be stepped up in 2017. The US dollar may continue to strengthen which could trigger capital outflow from emerging markets. Meanwhile, President Trump's protectionist policies, along with the upcoming European elections, Brexit negotiations and the concerns of Mainland China's economic growth momentum, suggest that the stock markets could be highly volatile in the year ahead. However, the Group believes the Hong Kong stock market will benefit from the increasing southbound capital flow from Mainland China. Facing these risks and opportunities, the Group continues to identify those equity securities with fundamental values and will manage the portfolio cautiously.

Despite the challenging economic situation in 2017, the Group will continue to maintain its niches in production expertise and scale of operations as well as exploring any valuable opportunity for diversification so as to maximise returns to its shareholders.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 18 April 2017 to Friday, 21 April 2017, both days inclusive, during which period no transfer of shares will be effected.

In order to be entitled to attend and vote at the 2017 annual general meeting of the Company to be held on Friday, 21 April 2017, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 April 2017.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	**2016** **HK$'000**	2015 HK$'000
Revenue	2	**123,105**	120,695
Cost of sales	4	**(123,334)**	(111,569)
Gross (loss)/profit		**(229)**	9,126
Other losses	3	**(42)**	(215)
Selling expenses	4	**(2,972)**	(2,804)
Administrative expenses	4	**(42,103)**	(41,581)
Impairment loss of properties, plant and equipment	4	**-**	(2,035)
Operating loss		**(45,346)**	(37,509)
Finance income	5	**108**	560
Share of results of a joint venture		**(3,628)**	-
Loss before income tax		**(48,866)**	(36,949)
Income tax expense	6	**(853)**	(1,034)
Loss for the year attributable to equity holders of the Company		**(49,719)**	(37,983)
Loss per share for loss attributable to the equity holders of the Company during the year			
- basic (HK cents)	7	**(6.08)**	(4.68)
- diluted (HK cents)	7	**(6.08)**	(4.68)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 **HK$'000**	2015 HK$'000
Loss for the year	**(49,719)**	(37,983)
Other comprehensive income/(loss):		
Items that will not be reclassified subsequently to profit or loss		
Fair value gain, net of tax:		
- properties, plant and equipment	**502**	1,104
Item that may be reclassified to profit or loss		
Currency translation differences	**(3,218)**	(1,872)
Other comprehensive loss for the year, net of tax	**(2,716)**	(768)
Total comprehensive loss for the year attributable to equity holders of the Company	**(52,435)**	(38,751)

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	**2016** **HK$'000**	2015 HK$'000
ASSETS			
Non-current assets			
Properties, plant and equipment		**50,263**	52,763
Investment in a joint venture		**20,978**	-
Land use rights		**12,849**	14,358
Deposits	8	**655**	-
		84,745	67,121
Current assets			
Inventories		**25,127**	22,585
Trade and other receivables	8	**28,657**	15,379
Financial assets at fair value through profit or loss	9	**108,242**	121,639
Cash and cash equivalents		**21,534**	88,378
		183,560	247,981
Total assets		**268,305**	315,102
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**81,804**	81,804
Other reserves		**203,185**	205,901
Accumulated losses		**(56,796)**	(7,077)
Total equity		**228,193**	280,628

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

	Note	**2016 HK$'000**	2015 HK$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		**7,294**	7,127
Current liabilities			
Trade and other payables	10	**29,450**	24,832
Income tax payable		**3,368**	2,515
		32,818	27,347
Total liabilities		**40,112**	34,474
Total equity and liabilities		**268,305**	315,102

NOTES TO THE FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

1.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016:

- Amendment to HKAS 1, "Disclosure initiative"
- Amendments to HKAS 16 and HKAS 38, "Clarification of acceptable methods of depreciation and amortisation"
- Amendments to HKAS 16 and HKAS 41, "Agriculture: bearer plants"
- Amendment to HKAS 27, "Equity method in separate financial statements"
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28, "Investment entities: applying the consolidation exception"
- Amendment to HKFRS 11, "Accounting for acquisitions of interests in joint operations"
- HKFRS 14, "Regulatory deferral accounts"
- Annual Improvement Project, "Annual improvements 2014"

The adoption of these amendments did not have any impact on the current year or any prior period.

(b) New and amended standards that have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted

- Amendment to HKAS 7，"Statement of cash flows"[1]
- Amendment to HKAS 12, "Income taxes"[1]
- Amendments to HKFRS 2, "Classification and measurement of share-based payment transactions"[2]
- HKFRS 9, "Financial instruments"[2]
- Amendments to HKFRS 10 and HKAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"[4]
- HKFRS 15, "Revenue from contracts with customers"[2]
- HKFRS 16, "Leases" [3]

1 effective for annual period beginning on or after 1 January 2017
2 effective for annual period beginning on or after 1 January 2018
3 effective for annual period beginning on or after 1 January 2019
4 to be determined

The Group is in the process of making an assessment of the impact of adoption of the above new and amended standards but is not yet in a position to state whether they would have a significant impact on its results of operation and financial position.

2 Revenue and segment information

The Group is principally engaged in garment manufacturing and trading and securities investment.

Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors.

The chief operating decision-maker has been identified as the board of directors of the Company. Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to assess performance and allocate resources. The chief operating decision-maker considers the business principally from the operations nature, with two segments identified: garment manufacturing and trading segment and securities investment segment.

The board of directors assesses the performance of the operating segments based on a measure of adjusted operating results. This measurement basis represented operating loss excluding material gain or loss which is capital in nature or of non-recurring nature such as impairment.

Revenue recognised during the year is as follows:

	2016 **HK$'000**	2015 HK$'000
Garment manufacturing and trading:		
Sale of garment products	**126,371**	103,015
Processing income	**6,207**	16,792
Sale of scrap materials	**552**	1,862
	133,130	121,669
Securities investment:		
Fair value loss on financial assets at fair value through profit or loss	**(11,715)**	(2,474)
Dividend income from listed equity securities	**1,690**	1,500
	(10,025)	(974)
	123,105	120,695

The segment information for the year ended and as at 31 December 2016 by business segment is as follows:

	Garment manufacturing and trading segment HK$'000	Securities investment segment HK$'000	Total HK$'000
Revenue	**133,130**	**(10,025)**	**123,105**
Reportable segment results	**(12,107)**	**(20,847)**	**(32,954)**
Other losses			**(42)**
Corporate administrative expenses			**(12,350)**
Operating loss			**(45,346)**
Finance income			**108**
Share of results of a joint venture			**(3,628)**
Loss before income tax			**(48,866)**
Income tax expense			**(853)**
Loss for the year			**(49,719)**

	Garment manufacturing and trading segment HK$'000	Securities investment segment HK$'000	Total HK$'000
Reportable segment assets	**125,839**	**112,417**	**238,256**
Unallocated corporate assets			**30,049**
Total assets			**268,305**

The segment information for the year ended and as at 31 December 2015 by business segment is as follows:

	Garment manufacturing and trading segment HK$'000	Securities investment segment HK$'000	Total HK$'000
Revenue	121,669	(974)	120,695
Reportable segment results	(13,201)	(9,982)	(23,183)
Other losses			(215)
Impairment loss of properties, plant and equipment			(2,035)
Corporate administrative expenses			(12,076)
Operating loss			(37,509)
Finance income			560
Loss before income tax			(36,949)
Income tax expense			(1,034)
Loss for the year			(37,983)

	Garment manufacturing and trading segment HK$'000	Securities investment segment HK$'000	Total HK$'000
Reportable segment assets	126,140	129,599	255,739
Unallocated corporate assets			59,363
Total assets			315,102

Revenues of approximately HK$108,307,000 (2015: HK$70,321,000), HK$12,159,000 (2015: HK$30,087,000) and HK$6,207,000 (2015: HK$16,249,000) were derived from the top three (2015: three) external garment manufacturing customers, respectively.

The following table sets out information about the geographical location of the Group's revenue and non-current assets. In presenting the geographical information, segment revenue is based on the geographical location of external customers and segment non-current assets are based on the geographical location of the assets.

	Revenue		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	HK$'000	**HK$'000**	HK$'000
United States of America	**75,321**	52,105	**-**	-
Mainland China	**19,072**	47,986	**80,412**	66,355
Europe	**27,652**	13,347	**-**	-
Hong Kong	**(6,962)**	2,511	**4,333**	766
Rest of World	**8,022**	4,746	**-**	-
	123,105	120,695	**84,745**	67,121

3 Other losses

	2016	2015
	HK$'000	HK$'000
Losses on disposal of properties, plant and equipment	**(42)**	(215)

4 Expenses by nature

Operating loss is stated after charging the following:

	2016	2015
	HK$'000	HK$'000
Raw materials used	**57,732**	41,667
Changes in inventories of finished goods and work in Progress	**2,855**	2,006
Depreciation of properties, plant and equipment	**4,690**	4,796
Amortisation of land use rights	**330**	364
Employee benefit expense (excluding directors' emoluments)	**60,810**	63,785
Directors' emoluments	**6,011**	6,058
Operating lease rentals - land and buildings	**3,524**	2,176
Auditor's remuneration		
- Audit services	**1,294**	1,148
- Non-audit services	**135**	135
Securities management and performance fees	**1,472**	1,814
Securities brokerage and transaction fees	**429**	1,034
Impairment loss of properties, plant and equipment	**-**	2,035
Others	**29,127**	30,971
Total cost of sales, selling expenses, administrative expenses and impairment loss of properties, plant and equipment	**168,409**	157,989

5 Finance income

	2016	2015
	HK$'000	HK$'000
Interest income on short-term bank deposits	**108**	560

6 Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year. The operation in Mainland China is subject to PRC corporate income tax at the rate of 25% for the year ended 31 December 2016 (2015: 25%).

The amount of income tax (charged)/credited to the consolidated income statement represents:

	2016	2015
	HK$'000	HK$'000
Current income tax		
- Hong Kong profits tax	**-**	(2,515)
Underprovision in prior years	**(853)**	-
Deferred income tax	**-**	1,481
Income tax expense	**(853)**	(1,034)

7 Loss per share

For the purpose of calculating basic and diluted loss per share, the weighted average number of ordinary shares was adjusted to take into account the effects arising from the exercise of share options during the year.

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares for the year ended 31 December 2015: share options. There is no dilutive potential ordinary shares for the year ended 31 December 2016.

As the dilutive potential ordinary shares of the Company would result in an anti-dilution of loss per share for the year ended 31 December 2015, the diluted loss per share equals the basic loss per share.

	2016	2015
	HK$'000	HK$'000
Loss attributable to equity holders of the Company	**(49,719)**	(37,983)
Weighted average number of ordinary shares in issue (thousands)	**818,042**	811,170
Basic and diluted loss per share (HK cents per share)	**(6.08)**	(4.68)

8 Trade and other receivables

	2016 HK$'000	2015 HK$'000
Trade Receivables	**22,664**	11,122
Prepayments	**2,101**	1,729
Deposits and other receivables	**4,547**	2,528
	29,312	15,379
Less: deposits classified as non-current asset	**(655)**	-
	28,657	15,379

The carrying amounts of the trade receivables, deposits and other receivables approximated their fair values.

Majority of the Group's trade receivables are with credit terms ranging from 30 to 60 days. The ageing of trade receivables based on invoice date, is as follows:

	2016 HK$'000	2015 HK$'000
Within 30 days	**21,428**	6,988
31-60 days	**1,214**	4,114
61-90 days	**22**	14
Over 90 days	**-**	6
	22,664	11,122

9 Financial assets at fair value through profit or loss

	2016 HK$'000	2015 HK$'000
Listed securities – held -for -trading		
Equity securities – Hong Kong	**108,242**	121,639

The fair values of all equity securities are based on their current bid prices in an active market.

10 Trade and other payables

	2016 HK$'000	2015 HK$'000
Trade payables	**15,596**	10,792
Accruals	**11,033**	11,430
Other payables	**2,821**	2,610
	29,450	24,832

The ageing of the trade payables, based on invoice date, is as follows:

	2016	2015
	HK$'000	HK$'000
Within 30 days	**5,560**	5,707
31-60 days	**9,784**	4,497
61-90 days	**233**	130
Over 90 days	**19**	458
	15,596	10,792

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

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

REVIEW OF FINANCIAL INFORMATION

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2016. The Audit Committee comprises the three independent non-executive directors, namely Mr Liu Run, Ms Su Zhengyu and Mr Yau Wing Yiu.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited throughout the year ended 31 December 2016.

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code"). Having made specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year.

Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in the Company's Annual Report.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website (www.carrywealth.com) and HKExnews website (www.hkexnews.hk). The Annual Report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders and available on the same websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of the Company comprises Messrs Li Haifeng (*Chairman*), Lee Sheng Kuang, James (*Managing Director*), Tang Chak Lam, Charlie, being executive directors; and Mr Liu Run, Ms Su Zhengyu and Mr Yau Wing Yiu, being independent non-executive directors.

By order of the Board of
Carry Wealth Holdings Limited
Li Haifeng
Chairman

Hong Kong, 6 March 2017