TK Group (Holdings) Limited
東 江 集 團（控 股）有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2283)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2016	2015
	Note	***HK$'000***	*HK$'000*
Revenue	*4*	**1,626,611**	1,606,205
Cost of sales	*5*	**(1,170,133)**	(1,187,331)
Gross profit		**456,478**	418,874
Other income		**22,734**	22,237
Other gains/(losses) — net		**15,372**	(1,512)
Selling expenses	*5*	**(86,626)**	(82,676)
Administrative expenses	*5*	**(181,244)**	(147,130)
Operating profit		**226,714**	209,793
Interest income		**5,533**	9,721
Interest expenses		**(3,230)**	(4,901)
Finance income — net		**2,303**	4,820
Profit before income tax		**229,017**	214,613
Income tax expense	*6*	**(23,319)**	(27,525)
Profit for the year attributable to owners of the Company		**205,698**	187,088
Other comprehensive income			
Item that may be reclassified to profit and loss:			
Currency translation differences		**(35,263)**	(42,184)
Total comprehensive income for the year		**170,435**	144,904
Earnings per share for the year			
— basic and diluted (HK$ per share)	*7*	**0.25**	0.23

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December **2016** *HK$'000*	2015 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**362,400**	344,151
Intangible assets		**11,035**	10,785
Prepayments for property, plant and equipment		**12,154**	20,970
		385,589	375,906
Current assets			
Inventories		**264,388**	254,402
Trade and other receivables	*9*	**253,564**	244,546
Deposits for bank borrowings		**90,766**	104,238
Restricted cash		**26,476**	1,176
Cash and cash equivalents		**381,310**	319,951
		1,016,504	924,313
Total assets		**1,402,093**	1,300,219
EQUITY			
Equity attributable to owners of the Company			
Share capital	*12*	**82,660**	82,660
Share premium		**237,902**	237,902
Other reserves		**(5,767)**	15,890
Retained earnings		**370,215**	269,049
Total equity		**685,010**	605,501

		As at 31 December	
		2016	2015
	Note	***HK$'000***	*HK$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings	*11*	**34,310**	68,051
Deferred income on government grants		**7,516**	—
Deferred income tax liabilities		**7,184**	6,766
		49,010	74,817
Current liabilities			
Trade and other payables	*10*	**494,021**	471,980
Income tax liabilities		**9,068**	10,633
Bank borrowings	*11*	**164,984**	137,288
		668,073	619,901
Total liabilities		**717,083**	694,718
Total equity and liabilities		**1,402,093**	1,300,219

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2016	2015
	HK$'000	*HK$'000*
Cash flows from operating activities		
Cash generated from operations	**266,356**	319,398
Interest received	**3,242**	6,058
Income tax paid	**(24,638)**	(44,166)
Net cash generated from operating activities	**244,960**	281,290
Cash flows from investing activities		
Purchase of property, plant and equipment and construction in progress	**(98,875)**	(122,590)
Purchase of intangible assets	**(4,020)**	(4,291)
Proceeds from disposal of property, plant and equipment	**4,670**	1,079
Purchase of available-for-sale financial assets	**(221,318)**	(307,671)
Proceeds from available-for-sale financial assets	**223,792**	311,683
Net cash used in investing activities	**(95,751)**	(121,790)
Cash flows from financing activities		
Proceeds from bank borrowings	**326,790**	308,088
Repayments of bank borrowings	**(332,835)**	(233,417)
Decrease/(increase) in deposits for bank borrowings	**13,472**	(102,232)
Interest paid	**(3,221)**	(4,933)
Dividends paid	**(90,926)**	(66,128)
Net cash used in financing activities	**(86,720)**	(98,622)
Net increase in cash and cash equivalents	**62,489**	60,878
Cash and cash equivalents at beginning of the year	**319,951**	265,612
Currency translation losses on cash and cash equivalents	**(1,130)**	(6,539)
Cash and cash equivalents at end of the year	**381,310**	319,951
Analysis of balances of cash and cash equivalents:		
Cash and cash on hand	**407,786**	321,127
Restricted cash	**(26,476)**	(1,176)
	381,310	319,951

NOTES:

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 28 March 2013 as an exempted company with limited liability. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company is an investment holding company and the Group is principally engaged in the manufacturing, sales, subcontracting, fabrication and modification of molds and plastic components in the People's Republic of China (the "PRC"). As at 31 December 2016, the ultimate shareholders of the Group are Mr. Li Pui Leung, Mr. Yung Kin Cheung Michael and Mr. Lee Leung Yiu, each holding an effective equity interest of 33.40%, 20.78% and 20.04% in the Company, respectively.

On 20 December 2013, shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets which are carried at fair value.

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

3. CHANGES IN ACCOUNTING POLICY 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 financial year beginning on or after 1 January 2016:

- Accounting for acquisitions of interests in joint operations — Amendments to HKFRS 11
- Clarification of acceptable methods of depreciation and amortisation — Amendments to Hong Kong Accounting Standards ("HKAS") 16 and HKAS 38
- Annual improvements to HKFRSs 2012–2014 cycle, and
- Disclosure initiative — amendments to HKAS 1.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

(b) New standards and interpretations not yet adopted

The following new standards, amendments to standards and interpretation have been issued but are not effective for the financial year beginning January 1 2016. They are relevant to the operations of the Group but have not been early adopted.

		Effective for accounting periods beginning on or after
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019

The Group has already commenced an assessment of the impact of these new or revised standards which are relevant to the Group's operation. According to the preliminary assessment made by the directors of the Company, no significant impact on the financial performance and positions of the Group is expected when adopting Hong Kong Financial Reporting Standards ("HKFRS") 9 and HKFRS 15. The directors also do not expect the adoption of HKFRS 16 would result in significant impact on the Group's financial performance and positions except for the recognition of the right-of use assets and corresponding lease liabilities arising from accounting for operating leases by the Group as a lessee.

4. SEGMENT INFORMATION

The segment information for the reportable segments is set out as below:

	Mold fabrication		Plastic components manufacturing		Total	
	2016	2015	**2016**	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue						
Segment revenue	**696,337**	635,810	**995,215**	1,017,405	**1,691,552**	1,653,215
Inter-segment revenue elimination	**(64,941)**	(47,010)	**—**	—	**(64,941)**	(47,010)
Revenue from external customers	**631,396**	588,800	**995,215**	1,017,405	**1,626,611**	1,606,205
Segment results	**179,342**	149,789	**277,136**	269,085	**456,478**	418,874
Other income and other gains — net					**38,106**	20,725
Selling expenses					**(86,626)**	(82,676)
Administration expenses					**(181,244)**	(147,130)
Finance income — net					**2,303**	4,820
Profit before income tax					**229,017**	214,613

	2016	2015
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**1,566,618**	1,549,746
Modification service income	**59,993**	56,459
Turnover	**1,626,611**	1,606,205

5. EXPENSES BY NATURE

	2016	2015
	HK$'000	*HK$'000*
Changes in inventories of finished goods and work in progress	**(11,546)**	(21,721)
Raw materials and consumables used	**573,722**	571,677
Employee benefit expenses	**452,358**	433,762
Subcontracting expenses	**143,016**	172,452
Depreciation and amortisation	**75,395**	64,360
Transportation and travelling expenses	**48,043**	45,754
Operating lease payments	**43,794**	36,206
Water and electricity expenditures	**35,001**	41,069
Commission expenses	**18,347**	20,759
Other taxes and levies	**17,702**	10,704
Allowance/(reversal of allowance) for receivables	**3,072**	(1,770)
(Reversal of allowance)/allowance for impairment of inventories	**(7,192)**	1,880
Auditors' remuneration		
— Audit services	**3,787**	3,835
— Non audit services	**528**	555
Advisory and legal service expenses	**9,537**	5,614
Maintenance expenses	**10,683**	10,783
Utilities and postage fees	**3,922**	4,462
Advertising and promotion fees	**3,302**	4,075
Recruitment expenses	**2,307**	1,361
Custom declaration charges	**2,176**	2,503
Donations	**2,165**	2,060
Security and estate management expenses	**1,518**	1,308
Bank charges and handling fees	**1,112**	1,239
Other expenses	**5,254**	4,210
Total cost of sales, selling expenses and administrative expenses	**1,438,003**	1,417,137
Research and development expenses represented:		
— Raw materials and consumables used	**9,993**	9,335
— Employee benefit expenses	**30,253**	29,828
	40,246	39,163

6. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Current income tax		
— PRC corporate income tax	**23,998**	31,128
— PRC corporate income tax over-provided in previous years	**(925)**	(7,286)
Deferred income tax	**246**	3,683
	23,319	27,525

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax.

(b) PRC corporate income tax ("CIT")

CIT is provided on the assessable income of entities within the Group incorporated in the PRC, calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits. The applicable CIT rate is 25% (2015: 25%). TK Mold (Shenzhen) Limited, TK Precision Plastics (Shenzhen) Limited and TK Plastic Products (Suzhou) Limited, subsidiaries of the Group, were recognised as "New and High Technology Enterprise" and thus enjoy a preferential CIT rate of 15% from 1 January 2014 to 31 December 2016, 1 January 2015 to 31 December 2017 and 1 January 2016 to 31 December 2018 respectively.

(c) PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a withholding income tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding income tax rate is applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil certain requirements under the tax treaty arrangements between the PRC and Hong Kong.

(d) The British Virgin Islands (the "BVI") income tax

No provision for income tax in BVI has been made as the Group has no income assessable for income tax in BVI during the year (2015: nil).

7. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue for the year.

	2016	2015
Profit attributable to owners of the Company (HK$'000)	**205,698**	187,088
Weighted average number of ordinary shares issued (thousands)	**826,600**	826,600
Basic earnings per share (HK$)	**0.25**	0.23

(b) Diluted

Diluted earnings 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 one category of dilutive potential ordinary shares: share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market share price of the Company's shares) for the same amount of proceed are share issues for no consideration which causes dilution to earnings per share. During the year, the outstanding share options do not have any material dilutive impact. Therefore, the diluted earnings per share of the Company approximates the basic earnings per share.

8. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Interim dividend paid of HK$0.04 (2015 Interim: HK$0.03) per ordinary share	**33,064**	24,798
Proposed final dividend of HK$0.10 (2015: HK$0.07) per ordinary share	**82,660**	57,862
	115,724	82,660

The dividends paid in 2016 and 2015 were HK$90,926,000 (HK$0.11 per share) and HK$66,128,000 (HK$0.08 per share) respectively. A final dividend in respect of the year ended 31 December 2016 of HK$0.10 per share, amounting to a total of HK$82,660,000, is to be proposed at the forthcoming annual general meeting ("AGM").

9. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables *(Note)*	**213,079**	186,227
Less: allowance for impairment	**(6,807)**	(3,735)
Trade receivables, net	**206,272**	182,492
Prepayments and deposits	**17,632**	27,867
Export tax refund receivables	**16,883**	10,705
Value-added tax recoverable	**7,650**	18,916
Advances to employees	**4,127**	2,801
Others	**1,000**	1,765
	253,564	244,546

Note:

The carrying amounts of the trade receivables are denominated in the following currencies:

	2016	2015
	HK$'000	*HK$'000*
USD	**159,172**	140,220
EUR	**27,565**	5,822
RMB	**22,512**	36,043
HK$	**3,830**	4,142
	213,079	186,227

The credit period granted to customers is generally between 30 and 90 days. The ageing analysis of the trade receivables from the date of sales is as follows:

	2016	2015
	HK$'000	*HK$'000*
Less than 3 months	**202,283**	182,170
More than 3 months but not exceeding 1 year	**10,220**	3,737
More than 1 year	**576**	320
	213,079	186,227

The fair values of trade and other receivables approximated their carrying amounts as at 31 December 2016 and 2015.

10. TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**211,355**	230,769
Deposits received from customers	**163,446**	152,968
Wages and staff welfare benefits payable	**81,397**	62,035
Accrual for expenses and other payables	**30,897**	20,521
Other taxes payable	**6,926**	5,687
	494,021	471,980

The ageing analysis of trade payables is as follows:

	2016	2015
	HK$'000	*HK$'000*
0–90 days	**164,392**	191,226
91–120 days	**27,187**	22,492
121–365 days	**10,207**	15,966
Over 365 days	**9,569**	1,085
	211,355	230,769

11. BORROWINGS

	2016	2015
	HK$'000	*HK$'000*
Non-current		
Bank borrowings		
— unsecured	**55,761**	107,968
Less: current portion of non-current borrowings	**(21,451)**	(39,917)
	34,310	68,051
Current		
Bank borrowings		
— secured *(Note)*	**78,957**	97,371
— unsecured	**64,576**	—
Total short-term bank borrowings	**143,533**	97,371
Current portion of non-current borrowings	**21,451**	39,917
	164,984	137,288
Total borrowings	**199,294**	205,339

Note:

As at 31 December 2016, bank borrowings amounting to HK$78,957,000 (2015: HK$97,371,000) were secured over the following:

	2016	2015
	HK$'000	*HK$'000*
Bank deposits	**90,766**	104,238

12. SHARE CAPITAL

(a) Details of issued shares are analysed as follows:

	Number of ordinary shares	**Share capital**
	(thousands)	*(HK$'000)*
Ordinary shares, issued and fully paid:		
As at 1 January 2015, 31 December 2015 and 31 December 2016	826,600	82,660

(b) Details of shares issued as at 31 December 2015 and 2016 are as follows:

Shareholder	**Number of shares**	**Share capital**	**Equity interests as at 31 December 2016**
		(HK$)	*(%)*
Eastern Mix Company Limited	421,520,000	42,152,000	50.99
Lead Smart Development Limited	86,400,000	8,640,000	10.45
Cheer Union Development Ltd	53,760,000	5,376,000	6.50
Normal Times International Limited	51,840,000	5,184,000	6.27
Public shareholders	213,080,000	21,308,000	25.79
	826,600,000	82,660,000	100.00

(c) All shares issued rank *pari passu* with each other.

13. SHARE-BASED PAYMENTS

On 29 December 2014, options over 6,660,000 shares were granted to three directors of the Company at the exercise price of HK$1.61 per share with no vesting condition. The exercise price of the granted options was equal to the market price of the shares on the date of the grant. The options are exercisable within three years from the grant date. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

No share option is forfeited, exercised or expired subsequent to the grant date.

The 6,660,000 share options outstanding at the end of the year have the expiry date of 28 December 2017 and exercise price of HK$1.61 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year under review, some of the Group's downstream high-end electronics brand customers postponed their plans for selling new products, due to the unfavorable market consumption climate as a result of continued slowdown in economic growth in China as represented by the shortage of orders and even close down faced by many manufacturing enterprises, and sluggish recovery in the American and European markets, as well as the international political factors. The decrease of the Group's revenue of mobile phones and wearable devices was primarily attributable to the impact of product life cycle of mobile phone customers, however, our orders have been recovered in the second half of the year. With the effective strategy of diversified customers and the leading high-precision plastic mold development capabilities, the Group's business segments of automobiles molds and commercial telecommunications equipment still recorded strong growth during the year. At the same time, our smart home segment, which was newly established in 2015, maintained stable growth during its initial development period, enabling the Group's overall turnover during the year under review to remain at a good level. In 2016, the Group's revenue was HK$1,626.6 million (2015: HK$1,606.2 million), representing a slight increase of 1.3% compared to that of last year.

Industry	**2016**		2015		**Change**	
	HK$ million	**%**	*HK$ million*	%	*HK$ million*	%
Automobiles	**387.1**	**23.8**	302.4	18.8	84.7	28.0
Commercial telecommunications equipment	**374.6**	**23.0**	311.2	19.4	63.4	20.4
Mobile phones and wearable devices	**296.0**	**18.2**	332.0	20.7	–36.0	–10.8
Medical and health care	**217.6**	**13.4**	203.7	12.7	13.9	6.8
Smart home	**90.7**	**5.6**	78.0	4.9	12.7	16.3
Household electrical appliances	**88.7**	**5.5**	138.9	8.6	–50.2	–36.1
Digital devices	**79.2**	**4.9**	110.1	6.9	–30.9	–28.1
Others	**92.7**	**5.6**	129.9	8.0	–37.2	–28.6
	1,626.6	**100.0**	1,606.2	100.0	20.4	1.3

During the year under review, the Group's gross profit and gross profit margin increased to HK$456.5 million (2015: HK$418.9 million) and 28.1% (2015: 26.1%) respectively, representing a year-on-year increase of 2.0 percentage points. Despite the grim macroeconomic environment, the Group continued to strengthen the application of automation and optimise the smart flexible production line with Industry 4.0 concept introduced in early 2015, which significantly improved the production time and the product quality. During the year, the Group also optimised its product structure to improve the production efficiency. In addition, continuous depreciation of Renminbi ("RMB") in 2016 eased some cost pressure of the Group on the raw materials and wages, etc.

Taking into account the above factors, the Group recorded a profit attributable to owners for the year of HK$205.7 million (2015: HK$187.1 million), representing an increase of 9.9% over last year. The net profit margin during the year under review increased to 12.6% (2015: 11.6%). Basic earnings per share during the year under review was HK25 cents (2015: HK23 cents).

In addition, the Group's trade receivable turnover days was only 45 days due to our effective credit policy, which also enabled the Group's net cash as at 31 December 2016 to increase to HK$299.3 million (2015: HK$220.0 million). The sound financial position is fundamental for the Group's development, and strong cash flows enable the Group to proactively identify appropriate merger and acquisition targets and to place the Group in a strong position in facing the uncertain economic situation.

Moreover, the Group's existing orders were sufficient. As at 31 December 2016, the Group's existing orders amounted to HK$645.5 million, representing a year-on-year increase of 6.9% compared to HK$603.6 million of last year.

BUSINESS SEGMENT ANALYSIS

Mold Fabrication Business

The turnover of the mold fabrication business division amounted to approximately HK$631.4 million in 2016, representing an increase of approximately 7.2% when compared to approximately HK$588.8 million in 2015, and accounting for approximately 38.8% of the Group's total revenue. The Group's production line of ultra-large standard molds commenced operation in the fourth quarter of 2014 for the manufacturing of plastic mold for instrument panels, bumpers and door panels. Due to longer cycle of mold fabrication, the molds manufactured in 2015 started to be delivered in succession in early 2016, which brought significant revenue contribution to the Group in 2016.

During the year, the Group's gross profit margin for mold fabrication business division was 28.4%, representing a significant increase of 3.0 percentage points when compared to 25.4% in last year, which was primarily due to that the Group successfully secured a major German automobile brand customer through the newly acquired German subsidiary in 2014, driving the Group's automobile mold business to record continuous growth. In 2016, the automobiles business also recorded a significant increase of 28.0% year on year.

In addition to the production line of ultra-large standard molds, the Group has a production line of precision molds, covering a number of high-end consumer electronics businesses, such as commercial telecommunications equipment, mobile phones and wearable devices, medical and health care, and coupled with the downstream plastic components manufacturing business, the Group can provide one-stop services to bring more convenience and economic benefits to its customers.

Plastic Components Manufacturing Business

The turnover of the plastic components manufacturing business division amounted to approximately HK$995.2 million in 2016 (2015: HK$1,017.4 million), representing a year-on-year decrease of 2.2%, and accounting for approximately 61.2% of the Group's total revenue. The slight decrease was mainly due to the impact of weak economy and consumption sentiment as a whole.

For mobile phones and wearable devices, the Group recorded a decrease in revenue of approximately 10.8% for the year. The Group's revenue of this segment significantly decreased in the first half of the year mainly due to the impact of product life cycle. However, due to the launching of new mobile phones in the second half of the year, the revenue tended to rebound. For commercial telecommunications equipment, the Group recorded an increase in revenue of 20.4% during the year under review, which was mainly due to the launching of multi-functional new products with higher unit price by Polycom, a major customer of the Group, in the second half of 2016, such as telecommunications equipment with LED screen, enabling the Group as its core manufacturer to receive sizable orders from it, which boosted significant growth of this segment. For medical and health care, with continuous launching of new products by customers, this segment maintained steady growth and recorded a year-on-year increase of 6.8% during the year under review.

The Group's insight into high-end consumer electronics market enables the Group to stand in the forefront of scientific development all the time. In 2015, the Group successfully secured a leading smart home brand customer, which recorded strong growth in the first half of 2016. However, revenue for the year slightly slowed down to a year-on-year growth of 16.3% as our customers postponed to launch new products. It is expected that our customers will be more active in launching new products in 2017, which will result in higher business growth.

In order to meet our customers' needs for high-performance and high-quality plastic products, the Group is committed to its development concept of seeking highly automatic plastic injection production. During the year under review, with continuous efforts in automatic production which improved its production efficiency, the Group's gross profit margin for the plastic components manufacturing business increased to 27.8% from 26.4% in last year.

Awards and Achievements

During the year under review, the Group's endeavor to the plastic mold production technology reform received praise and recognition in the industry by receiving the "2016 Hong Kong Awards for Industries: Upgrading and Transformation Award" from the Hong Kong Young Industrialists Council. This award is an encouragement for the Group to continue its production technology reform in the future. Moreover, according to the market research report from an independent third party, the Group was recognized as the largest plastic mold manufacturer in the PRC for molds above MT3 (the mold precision level according to "GB/T14486-2008 Standard of the People's Republic of China" and "Standard for Dimensional Tolerance for Plastic Molds") in 2015 (based on export value), ranking one position higher than that in 2012, which shows the quality of the Group's product has reached world's leading level.

OUR CLIENTS

Clients of the Group cover a wide range of industries, from automobile to household electrical appliances to mobile phones and wearable devices as well as medical and health care. As a key supplier of molds and plastics of high-end electronic products, the Group's orders are widely impacted by the launch time, popularity and life cycle of products of its downstream industry clients. However, being engaged in molds and plastic injection industry for more than 30 years, the Group always sticks to the strategy of client diversity in order to manage and diversify risks efficiently. Currently, the Group has been widely recognized as a trustworthy business partner of various internationally known brands of consumer goods, including numbers of leading brands in many fast-growing industries such as smart mobiles, health care and wearable devices.

ENVIRONMENT, SOCIETY AND GOVERNANCE

The Group will publish the first Environmental, Social and Governance Report ("ESG report") in compliance with the Environment, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") for the year 2016. The ESG report facilitated the Group in enhancing the awareness about the environmental and social impacts of its operations, and in reviewing and monitoring its sustainable development.

The Group believes that this year's work will serve as a firm basis to guide the Group throughout its sustainable journey in the years to come. The Group strives to minimise its impact on the environment from product design to production process and to the final product. The Group continues to protect the environment by actively investing resources to reduce the generation of air pollutants, waste water, hazardous and non-hazardous waste, to promote conservation of resources and energy, and to comply with all relevant environmental laws and regulations as well as standard requirements. The Group also ensures that its production facilities operate in accordance with the environmental management system standard ISO 14001:2004 and with the quality management system standard ISO 9001:2004. In addition to actively promoting environmental protection, the Group is committed to serving the community by contributing in a spirit of corporate social responsibility and continuing to abide by the spirit of "From the society, For the society".

For this year, the Group focused on allocating resources to the internal and external stakeholders. The Group has been keen on improving the working environment of our employees by providing more recreational facilities within the production site area. This not only enhanced the sense of belonging among staff, and created a more liveable local community. Furthermore, the Group regularly organised development and training programs in order to enhance employees' skills and knowledge to keep up with ever-changing business needs. The Group has also continued to connect with different external stakeholders by inviting different enterprises, universities and government departments to visit the Group to have a better understanding of our operation. In terms of community investment, the Group engaged in organising and sponsoring social welfare activities to demonstrate its care for those in need.

The Group appointed Allied Environmental Consultants Limited (Stock Code: 8320) during this reporting year to establish a mechanism to collect environmental data. The Group has started monitoring and collecting environmental data to prepare itself to disclose its relevant Environmental Key Performance Indicators for the year 2017, as required by the Stock Exchange.

FINANCIAL REVIEW

Revenue

Revenue for the year ended 31 December 2016 was HK$1,626.6 million, representing an increase of HK$20.4 million or 1.3%, from revenue of HK$1,606.2 million in 2015.

The mold fabrication segment revenue in 2016 was HK$631.4 million, representing an increase of HK$42.6 million or 7.2%, from revenue of HK$588.8 million in 2015. In the fourth quarter of 2014, the Group's production lines of ultra-large standard molds commenced operation in the manufacturing of plastic molds for instrument panels, bumpers and door panels. Due to longer cycle of mold fabrication, the Group's molds in progress in 2015 were delivered in succession at the beginning of 2016, and its financial contribution has become notable in 2016.

The plastic components manufacturing segment revenue in 2016 was HK$995.2 million, representing a decrease of HK$22.2 million or 2.2%, from revenue of HK$1,017.4 million in 2015. The revenue decreased slightly compared with last year, which was mainly attributable to: 1) a drop in demand for certain consumer goods under the influence of overall sluggish economy and spending sentiment; and 2) a decrease in the sales of mobile phones and wearable devices products in 2016 compared with last year, as affected by the product life cycle of mobile phones and wearable devices customers.

Gross Profit

Gross profit for the year ended 31 December 2016 was HK$456.5 million, representing an increase of HK$37.6 million or 9.0%, from gross profit of HK$418.9 million in 2015. The increase was mainly attributable to the enhanced production efficiency driven by continuous automation development and the increased gross profit margin resulting from reduced cost pressure due to depreciation of RMB.

Segment gross profit margin for mold fabrication increased from 25.4% in 2015 to 28.4% in the current year, which was primarily due to the Group successfully secured a major German automobile brand customer through the newly acquired German subsidiary in 2014, driving the Group's automobile mold business to record continuous growth, thus improving the segment gross profit margin for mold fabrication to a certain extent.

Segment gross profit margin for plastic components manufacturing increased from 26.4% in 2015 to 27.8% in the current year. The increase in gross profit margin was primarily attributable to enhanced efficiency resulting from increasing application of automation.

Other Income

Other income for the year ended 31 December 2016 was HK$22.7 million, representing an increase of HK$0.5 million or 2.3% from HK$22.2 million in 2015. The increase was primarily attributable to the increase in government grants income of the Group by HK$4.0 million and the decrease in sales income of scrap and testing charges and clamp apparatus by HK$3.5 million during the current year.

Other Gains/(Losses) — Net

Net other gains for the year ended 31 December 2016 was HK$15.4 million, representing an increase of HK$16.9 million, from net other losses of HK$1.5 million in 2015. The increase was mainly attributable to: 1) the gains generated from conversion of sales proceeds from US dollar and Euro-denominated orders; and 2) the exchange gains generated from revaluation of the closing exchange rate of Euro-denominated loan and deposits received from customers of mold fabrication segment, as a result of depreciation of the Euro.

Selling Expenses

Selling expenses for the year ended 31 December 2016 was HK$86.6 million, representing an increase of HK$3.9 million or 4.7%, from HK$82.7 million in 2015, primarily due to the increase in performance bonus of sales staff and transportation expenses which aligned with the growth in sales.

Administrative Expenses

Administrative expenses for the year ended 31 December 2016 was HK$181.2 million, representing an increase of HK$34.1 million or 23.2% from HK$147.1 million in 2015. The increase was primarily due to: 1) the increase in labour costs resulting from annual salary adjustment and more high-quality management talents engaged to enhance the level of our management team; 2) the increase in depreciation due to renovation of the new office building and acquisition of equipment during the year; and 3) the increase in advisory and legal service expenses compared with that of last year as the Group increased enterprise management consulting investments during the year.

Finance Income — Net

Net finance income for the year ended 31 December 2016 was HK$2.3 million, representing a decrease of HK$2.5 million or 52.1% from net finance income of HK$4.8 million in 2015, primarily due to decreased interest income resulting from falling interest rate of bank deposits and principal guaranteed available-for-sale financial assets.

Income Tax Expense

Income tax expense for the year ended 31 December 2016 was HK$23.3 million, representing a decrease of HK$4.2 million or 15.3% from HK$27.5 million in 2015. The decrease in income tax expense was primarily due to the fact that the Group's Suzhou principal plastic components company obtained the National New and High Technology Enterprise certificate during the year and enjoyed a preferential enterprise income tax rate of 15%.

Profit for the Year Attributable to Owners of the Company

Profit for the year attributable to owners of the Company for the year ended 31 December 2016 was HK$205.7 million, representing an increase of HK$18.6 million or 9.9% from HK$187.1 million in 2015.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintained a good financial position during the year. As at 31 December 2016, the Group had net current assets of approximately HK$348.4 million (31 December 2015: HK$304.4 million). The Group had cash and cash equivalents of approximately HK$381.3 million (31 December 2015: HK$320.0 million). The current ratio of the Group as at 31 December 2016 was approximately 1.5 (31 December 2015: 1.5).

Total equity of the Group as at 31 December 2016 was approximately HK$685.0 million (31 December 2015: HK$605.5 million). The gearing ratio (which was calculated by dividing total loan amount by total equity amount of the Group) as at 31 December 2016 was approximately 29.1% (31 December 2015: 33.9%). The gearing ratio is lower than that as at 31 December 2015, primarily due to decreased operating loan as a result of sufficient fund flows of the Group as well as the increased equity as a result of profits earned during the year.

DEBT MATURITY PROFILE

The maturity profile of the Group's borrowings is set out below:

	2016	2015
	HK$'000	*HK$'000*
Within 1 year	**164,984**	137,288
Between 1 and 2 years	**19,810**	30,587
Between 2 and 5 years	**14,500**	37,464
	199,294	205,339

An analysis of the Group's key liquidity ratios as at 31 December 2016 is as follows:

	2016	2015
Inventory turnover days *(Note 1)*	**84**	80
Trade receivable turnover days *(Note 2)*	**45**	45
Trade payable turnover days *(Note 3)*	**69**	63
Current ratio *(Note 4)*	**152.2%**	149.1%

Notes:

1. Inventory turnover days are calculated based on the average balance of inventory divided by the cost of sales for the relevant year multiplied by 365 days.

2. Trade receivable turnover days are calculated based on the average trade receivables divided by the revenue for the relevant year multiplied by 365 days.

3. Trade payable turnover days are calculated based on the average trade payables divided by cost of sales for the relevant year multiplied by 365 days.

4. Current ratio is calculated by dividing current assets by current liabilities and multiplying the resulting value by 100%.

INVENTORY TURNOVER DAYS

During the year, the Group's inventory turnover days were 84 days, representing an increase of 4 days as compared to that in 2015. The slight increase in turnover days was mainly due to the fact that finished goods had been stocked at the end of 2016 by the plastics components manufacturing segment to meet clients' demand for products in January 2017.

TRADE RECEIVABLE TURNOVER DAYS

During the year, the Group's trade receivable turnover days were 45 days, which was comparable to that of 2015.

TRADE PAYABLE TURNOVER DAYS

During the year, the Group's trade payable turnover days were 69 days, representing an increase of 6 days as compared to that in 2015. The increase was mainly due to extended payment terms granted by certain plastic materials and transportation providers to the Group in view of the Group's good reputation during the year.

CURRENT RATIO

As at 31 December 2016, the Group's current ratio was 152.2%, which was comparable to that as at 31 December 2015.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group mainly operated in the PRC and is exposed to foreign currency risks arising from various currency exposures, mainly with respect to the HK dollar, US dollar, Euro and RMB. Exchange rate fluctuations and market trends have always been of concern to the Group. Foreign currency hedging of the Group has been managed by our chief financial officer, and overseen by the Group's chief executive officer. In accordance with our hedging needs and the then foreign exchange situation, the Group's chief financial officer would collect and analyse information regarding various hedging instruments and determine stop-loss thresholds. The Group's chief financial officer would then collect quotations from various banks as to the financial instrument and present such quotations to the Group's chief executive officer, who would then evaluate and make a decision as to whether to enter into the relevant hedging agreement. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

For the year ended 31 December 2016, save as the Euro-denominated bank loan, the Group had not entered into any hedging agreement.

Euro declined in 2016. As the European market is one of the key markets for the Group's mold fabrication segment, in order to hedge the risk of depreciation of the payments received from European customers, the Group's chief financial officer collected information on hedging instruments for analysis, having taken into account of the Group's business operations, the Group decided to adopt the Euro-denominated loan to hedge the risk of depreciation of the receivables from Euro-denominated orders in the future.

The Group's cash and bank balances were primarily denominated in RMB and US dollar. Its operating cash inflows and outflows were primarily denominated in RMB, US dollar, Euro and HK dollar. The Group will closely monitor the exchange rate movements and regularly review the structure of its balance sheet so as to mitigate the expected exchange rate risk.

RMB EXCHANGE RATE RISK

The Group's major revenue is principally denominated in US dollar, Euro, HK dollar, and RMB and the Group's major expenses are principally denominated in RMB. Therefore, the recent depreciation of RMB has a positive impact on the Group's operations. The Group does not enter into any agreement for RMB hedging purpose. During the year, the Group adjusted its cash structure in due time due to significant depreciation of RMB, and cash and bank balances that were primarily denominated in US dollar and RMB.

CAPITAL STRUCTURE

There was no change in the capital structure of the Company during the year, and the Company's capital included ordinary shares and other reserves.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The Company was listed on the Stock Exchange on 20 December 2013. Net proceeds from the initial public offering totalled approximately HK$268.0 million (including the net proceeds from the exercise of the over-allotment option which took place on 15 January 2014). During the year, a total of HK$33.0 million had been applied to the Group's capacity expansion, research and development and operation need.

The table below sets out the use of net proceeds from the initial public offering and the unutilised amounts as at 31 December 2016. All unutilised proceeds are placed with licensed banks in China and Hong Kong.

Use of proceeds

			Till 31 December 2016	
	% of total amount	**Net proceeds**	**Utilised amounts**	**Unutilised amounts**
		(HK$ million)	*(HK$ million)*	*(HK$ million)*
Establishing a new business unit specialising in ultra-large standard molds	19%	51.9*	51.9	—
Upgrading mold fabrication capabilities	14%	37.1*	37.1	—
Expanding Shenzhen plastic components manufacturing capacity	22%	59.4*	59.4	—
Expanding Suzhou plastic components manufacturing capacity	17%	44.5*	44.5	—
Strategic acquisitions of other mold fabricators	11%	29.5*	16.4	13.1
Research and development	8%	21.5*	21.5	—
General working capital	9%	24.1*	24.1	—
	100%	268.0*	254.9	13.1

* On 15 January 2014, China Merchants Securities (HK) Co., Limited, the sole global coordinator (on behalf of the international underwriters) of the global offering, partially exercised the over-allotment option, pursuant to which the Company issued 26,600,000 ordinary shares of HK$0.1 each at the subscription price of HK$1.25 per share. The allocation of the net proceeds of HK$32.4 million was adjusted on a pro rata basis as set out in the section headed "Use of Proceeds" in the Company's prospectus dated 11 December 2013 (the "Prospectus"). As a result, the net aggregate proceeds were increased from HK$235.6 million to HK$268.0 million.

The use of proceeds shown above is in line with the intended use as set out in the Prospectus.

PLANS FOR MATERIAL CAPITAL INVESTMENTS

The Group plans to invest in capacity expansion and pursue suitable projects to capture the potential growth of the Group's business in the coming years in the manner set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. Such source of funding would be primarily from the net proceeds from the listing, the Company's own funds and bank borrowings.

STAFF POLICY

As at 31 December 2016, the Group had 3,286 full-time employees (31 December 2015: 3,273) and had 621 dispatched workers dispatched to us from third party staffing companies (31 December 2015: 594).

The Group's remuneration policy aims to offer competitive remuneration packages to recruit, retain and motivate competent directors and employees. The Group believes the remuneration packages are reasonable and competitive and in line with market trends. The Group has put in place a share option scheme for its directors and employees in a bid to provide a competitive package for the Group's long-term growth and development. The Group also provides appropriate training and development programmes to its employees to enhance the staff's work ability and personal effectiveness.

We have implemented training programmes for the employees to meet different job requirements. We believe that these initiatives have contributed to increased employee productivity.

As required by PRC regulations, we make contributions to mandatory social security funds for the benefit of our PRC employees that provide pension insurance, medical insurance, unemployment insurance and housing funds.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2016, the Group has made no material acquisitions or disposals of subsidiaries.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group did not have any significant contingent liabilities.

OUTLOOK

Looking into 2017, the Group will pay close attention to any fluctuations in the market on a sustained and prudent basis and be ready to response to any changes in view of intensified market concerns over trade war caused by the ever-changing political landscape globally, sluggish economic recovery and foreign exchange fluctuation. Nevertheless, the Group is highly confident of its development potential in 2017 even if there is uncertainty to the external environment. The plans for launching new products in 2017 by the diversified existing customer base has brought good potential of abundant orders for the Group. As to the mobile phones and wearable devices, the Group has successfully gained orders to produce components for products of new models from smart phone clients, and we are confident that the successively launched new product models by other clients of high-end electronics consumer goods in 2017 will boost a stable growth in this segment. With the surging demand for medical and health care products and the products of new model researched by customers seeping into the market, the Group's business is anticipated to be benefited and achieve a sustainable growth. In view of the fact that the smart home industry is now at its stage of booming development and after experiencing the industrial integration in 2016, the Group is confident that the smart home products will embrace a fast development period. In addition, the promising prospects of extended application and the long life cycle of smart home products will bring the Group with greater industrial development potential and more substantial sales growth. In the automobiles molds segment, the Group is delivering mold products to customers of German automobile brands and American electric vehicle brands, the financial impact of which will continue to reflect in 2017. It is expected that the gross profit margin of mold segment will continue to be improved benefiting from the positive effects of gradually enhanced capacity utilization rate.

Over the years, our Group has always been the most trustworthy partner of the internationally famous consumer brand leaders, and is also the first-choice plastics solutions provider of high-technology and innovative enterprises in Silicon Valley. The development and design capacity in precision molds enables the Group to provide the customers with one-stop and customized integrated plastics solutions and attract new customers from the global high-end electronics consumer market on a continuous basis. At the end of 2016, a virtual reality hardware product company under a social network site in America and an American top-selling smartphone shell brand entered into cooperation with the Group smoothly, which would lay a more solid foundation for business growth in 2017.

Since 2015, the Group successfully introduced the smart flexible production line with Industry 4.0 concept to carry out the production of highly intelligent precision molds, thus boosting the effectiveness and stability of the production line to a large extent and heightening the quality standard of plastic molds. The ongoing investment in intelligent and automatic production not only demonstrates the Group's innovative perspective but also enables the Group to stand at the forefront of the industry. In the future, we will put in persistent efforts to the research and development of improved mold technology, enhance technical standards and optimize production process, so as to improve operational efficiency, thus maintaining the Group's leading position in the plastic mold industry. Meanwhile, the Group has completed the construction of the second plant in Suzhou production base in support of the production volume brought in by additional orders. In the plant, a mold production line is additionally equipped based on the original plastic production line. Apart from enhancing our production capacity to meet demands, the Group also targeted to develop the Suzhou production base into another one-stop design and manufacturing base for plastic and mold, so as to further broaden our customer base in the Yangtze River Delta and promote service quality in the region.

The Group had achieved breakthrough and upgrade in industrial technology brought by technical development, which has convinced us that the key of industrial achievement lies in innovation, and that an enterprise, just like society, has to advance with the times so as not to be eliminated. The Group is seeking to put forward the expansion of businesses and new market, in particular in the health and medical devices industry with great development potential, through strategic investment (which includes looking for start-ups that could generate synergy with the Group), and to identify outstanding peers in mold and plastic industry at home and abroad, with the aim to achieve a complementary effect and enhance mutual competitive edge. While in the domestic market, the Group will proactively try every potential of cooperation with domestic leading brands in the future in view of the tremendous consumer market and the springing-up of numerous high-end brands of consumer electronics in China, so as to expand the Group's regional footprint and fight for sustainable business growth.

Tapping into the mold and plastic industry for more than 30 years, the Group's distinguished capacity and technology process in producing high-precision plastic molds facilitates it to maintain the leading position in industry. Though it is expected that the international situation will be volatile, the Group's professional and extensive industry experience, diversified customer mix and sound financial position will contribute to a rapid response to any change in market condition as well as the identification and the capture of business opportunities. Looking into 2017, the Group is confident that its operating prospect is promising, and will explore opportunities in the four segments, namely the mobile phones and wearable devices segment, the medical and health care segment, the smart home segment as well as the automobiles segment in an active and prudent manner, thus scaling new heights in the industrial chain of high-precision plastic molds.

Developments as to Defects to Land Title with Respect to the Shenzhen Tangjia Plants

Reference is made to the Prospectus and the announcement of the Company dated 20 March 2014. Unless otherwise defined herein, capitalised terms used in this sub-section shall have the same meanings as those defined in the Prospectus. As the Bureau of Urban Planning and Land Commission of the Shenzhen Municipality (深圳市規劃國土委) is examining policy proposals regarding the conversion of land use from high-technology project to commercial use by payment of land premium for submission for the approval of the municipal government, pursuant to the instructions of the Land Bureau, TK Technology (Shenzhen) Ltd. ("TK Technology (Shenzhen)") will submit the written application to convert the green-type property ownership certificate into the red-type property ownership certificate after the promulgation of the relevant policy.

As disclosed in the section headed "Business — Properties — Plans to Resolve Risks Related to Certain of Our Leased Properties" of the Prospectus, the Company has contingency arrangements in place and will adopt such measures when it is necessary. Such contingency arrangements include relocating to the Backup Plants by exercising the Company's right to request the Backup Plants Landlord to enter into the formal lease agreement with the Company within 15 days from the Company's notice to the Backup Plants Landlord for one or more of the Backup Plants pursuant to the Pre-lease Agreements. Towards the expiry of the Pre-lease Agreements, in the event that TK Technology (Shenzhen) has yet to convert the green-type property ownership certificate into red-type property ownership certificate, the Company shall seek to either renew the Pre-lease Agreements or engage another party for a similar arrangement. For details of the contingency arrangements, please refer to the section headed "Business — Properties — Plans to Resolve Risks Related to Certain of Our Leased Properties" of the Prospectus. The Company has renewed the Pre-lease Agreements until 31 December 2019.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2016.

CORPORATE GOVERNANCE CODE

The Company believes that good corporate governance is very important for maintaining and promoting investor confidence and for the sustainable growth of the Group. The Board sets and implements appropriate corporate governance policies for the business operation and growth of the Group. The Board is committed to strengthening the Group's corporate governance measures to ensure transparency and accountability of the Company's operations.

The Company has applied the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules.

In the opinion of the directors, the Company had complied with all the code provisions as set out in the CG Code during the year ended 31 December 2016.

The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

AUDIT COMMITTEE

The Audit Committee comprises 3 members, namely, Mr. Tsang Wah Kwong (Chairman), Dr. Chung Chi Ping Roy and Mr. Ho Kenneth Kai Chung, all are independent non-executive directors of the Company. The primary duties of the Committee are to review and supervise the Group's financial reporting process and risk management and internal control systems.

As part of the process of the annual review, the Board has performed evaluation of the Group's accounting, internal audit and financial reporting functions, to ensure the adequacy of resources, qualifications and experience of staff of the functions, and the training programmes and budget.

The Committee has reviewed with the management the annual results, the accounting principles and practices adopted by the Group for the year ended 31 December 2016 and discussed the Group's auditing, risk management and internal control and financial reporting matters.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the announcement of the Group's results for the year ended 31 December 2016 have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on the results announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' dealings in the Company's securities.

Having made specific enquiry to the directors, all directors had confirmed that they had complied with the required standard set out in the Model Code for the year ended 31 December 2016.

DIVIDEND

The Board has recommended the payment of a final dividend of HK10.0 cents per share for the year ended 31 December 2016 to the shareholders whose names appear on the register of members of the Company at the close of business on 19 May 2017, amounting to a total of HK$82,660,000. The proposed final dividend is subject to the approval of the shareholders at the forthcoming AGM. The final dividend, if approved, is expected to be paid on 2 June 2017.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on 10 May 2017, the register of members of the Company will be closed from 4 May 2017 to 10 May 2017, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered shareholders of the Company should ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 2 May 2017.

For determining the entitlement to the aforesaid proposed final dividend, the register of members of the Company will be closed from 18 May 2017 to 19 May 2017, both dates inclusive, during which period no transfer of shares will be registered. In order to be qualified for the proposed final dividend, unregistered holders of shares of the Company should ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong at the above address for registration not later than 4:30 p.m. on 17 May 2017.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement of the Group for the year ended 31 December 2016 is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.tkmold.com.

An annual report for the year ended 31 December 2016, containing all the information required by the Listing Rules, will be despatched to the shareholders of the Company and published on the above websites in due course.

By Order of the Board
TK Group (Holdings) Limited
Li Pui Leung
Chairman

Hong Kong, 13 March 2017

As at the date of this announcement, the executive directors of the Company are Mr. Li Pui Leung, Mr. Yung Kin Cheung Michael, Mr. Lee Leung Yiu and Mr. Cheung Fong Wa; and the independent non-executive directors of the Company are Dr. Chung Chi Ping Roy, Mr. Ho Kenneth Kai Chung and Mr. Tsang Wah Kwong.