CHINA HANYA GROUP HOLDINGS LIMITED
中國瀚亞集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8312)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed in the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of China Hanya Group Holdings Limited (formerly known as "Brilliance Worldwide Holdings Limited") (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page of the GEM website (http://www.hkgem.com) for at least seven days from the date of its posting and on the website of the Company at www.chinahanya.com.hk.

RESULTS

The board (the "Board") of Directors of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 30 September 2016, together with the comparative figures for the year ended 30 September 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2016

	Notes	**2016** *HK$'000*	2015 *HK$'000*
Revenue		**23,122**	54,351
Cost of sales		**(21,854)**	(50,917)
Gross profit		**1,268**	3,434
Other income, gains and losses	*5*	**21**	(434)
Selling and distribution expenses		**(1,035)**	(2,101)
Administrative expenses		**(10,815)**	(6,141)
Finance costs	*6*	**(26)**	(176)
Loss before taxation	*7*	**(10,587)**	(5,418)
Taxation credit	*8*	**—**	138
Loss for the year		**(10,587)**	(5,280)
Loss for the year attributable to owners of the Company		**(10,587)**	(5,280)
Loss per share	*10*		
Basic and diluted (HK cents)		**(1.52)**	(0.76)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2016

	2016	2015
	HK$'000	*HK$'000*
Loss for the year	**(10,587)**	(5,280)
Other comprehensive expense		
Item that may be subsequently reclassified to profit or loss:		
Exchange differences arising on translation of foreign operation	**(2)**	(11)
Total comprehensive expense for the year attributable to the owners of the Company	**(10,589)**	(5,291)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2016

	Notes	2016 HK$'000	2015 HK$'000
Non-current assets			
Property, plant and equipment		**882**	940
Deposit paid for acquisition of a subsidiary		**200**	—
Deposit paid for acquisition of plant and equipment		**704**	—
		1,786	940
Current assets			
Trade and other receivables	*11*	**2,147**	14,578
Investments held-for-trading		**1,349**	1,427
Bank balances and cash		**35,625**	6,795
		39,121	22,800
Current liabilities			
Trade payables	*12*	**824**	—
Other payables and accrued charges		**1,296**	699
Bank borrowings		**—**	2,998
		2,120	3,697
Net current assets		**37,001**	19,103
Net assets		**38,787**	20,043
Capital and reserves			
Share capital		**7,400**	6,920
Reserves		**31,387**	13,123
Total equity		**38,787**	20,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2016

1. GENERAL

China Hanya Group Holdings Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its immediate and ultimate holding company is China Merit International Investment Inc. ("China Merit"), incorporated in the British Virgin Islands and the ultimate controlling shareholder of China Merit is Mr. Liu Sit Lun, the chairman, chief executive officer and executive director of the Company. The addresses of the registered office and principal place of business of the Company are disclosed in "Corporate Information" section of the annual report.

On 15 March 2016, Magic Ahead Investments Limited, the former immediate holding company, agreed to sell an aggregate of 474,000,000 shares of the Company, representing 68.5% of the then total share capital of the Company at a cash consideration of HK$280,000,000 to China Merit.

At a special general meeting of the Company held on 5 May 2016, the Company's shareholders approved to change the English name of the Company from "Brilliance Worldwide Holdings Limited" to "China Hanya Group Holdings Limited" and the dual foreign name in Chinese of the Company from "金滿堂控股有限公司" to "中國瀚亞集團控股有限公司". The change of Company name became effective on 30 June 2016.

The Company is an investment holding company.

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

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments[2]
HKFRS 15	Revenue from contracts with customers[2]
HKFRS 16	Leases[3]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[1]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[1]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from contracts with customers[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle[1]
Amendments to HKAS 1	Disclosure initiative[1]
Amendments to HKAS 7	Disclosure initiative[5]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealised losses[5]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[1]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[1]
Amendments to HKAS 27	Equity method in separate financial statements[1]

1 Effective for annual periods beginning on or after 1 January 2016.
2 Effective for annual periods beginning on or after 1 January 2018.
3 Effective for annual periods beginning on or after 1 January 2019.
4 Effective for annual periods beginning on or after a date to be determined.
5 Effective for annual periods beginning on or after 1 January 2017.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in September 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company have reviewed the Group's financial assets as at 30 September 2016 and anticipate that the application of HKFRS 9 in the future may result in early recognition of credit losses based on expected loss model in relation to the Group's financial assets measured at amortised cost and is not likely to have other material impact on the results and financial position of the Group based on an analysis of the Group's existing business model.

HKFRS 15 Revenue from contracts with customers

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including Hong Kong Accounting Standard ("HKAS") 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the adoption of HKFRS 15 in the future will not have a material impact on the amounts reported and disclosures reported in consolidated financial statements based on the existing business model of the Group as at 30 September 2016.

HKFRS 16 Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under HKAS 17.

Total operating lease commitment as lessee of the Group in respect of leased premises as at 30 September 2016 amounted to HK$174,000. The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's result but it is expected that certain portion of these lease commitments will be required to be recognised in the consolidated statement of financial position as right-of-use assets and lease liabilities.

The directors of the Company anticipate that the application of other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market (the "GEM Listing Rules") of the Stock Exchange and by the disclosure requirements of the Hong Kong Companies Ordinance ("CO").

The provisions of the new CO (Cap 622) regarding preparation of accounts and directors' report and audits became effective for the Company for the financial year ended 30 September 2016. Further, the disclosure requirements set out in the GEM Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 30 September 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 30 September 2015 are presented or disclosed in the consolidation financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or GEM Listing Rules but not under the new CO or amended GEM Listing Rules are not disclosed in these consolidated financial statements.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use for the purposes of impairment assessment in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

4. SEGMENT INFORMATION

The Group's operations is solely derived from the garment distribution for both years. For the purpose of resources allocation and performance assessment, the chief operating decision maker (i.e. the chief executive officer of the Group) reviews the overall results and financial position of the Group as a whole. Accordingly, the Group has only one single operating segment and no further analysis of this single segment is presented.

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	2016	2015
	HK$'000	*HK$'000*
Innerwear	**15,243**	30,334
Casual wear	**3,481**	7,898
Baby and children wear	**4,398**	16,119
	23,122	54,351

Geographical information

The Group's operation is mainly carried out in Hong Kong. The Group's revenue is mainly derived from customers located in Sweden, the United Kingdom (the "U.K."), Spain and Hong Kong.

The Group's revenue from external customers by geographical location of customers irrespective of the origin of the goods and its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Sweden	**4,052**	7,326	**—**	—
The U.K.	**11,879**	23,101	**—**	—
Spain	**3,568**	16,063	**—**	—
Hong Kong	**2,608**	6,169	**1,786**	940
Others	**1,015**	1,692	**—**	—
	23,122	54,351	**1,786**	940

Information about major customers

Revenue from external customers of the corresponding year contributing over 10% of total revenue of the Group are as follows:

	2016	2015
	HK$'000	*HK$'000*
Customer A	**11,879**	21,874
Customer B	**4,052**	7,014
Customer C	**3,568**	16,063

5. OTHER INCOME, GAINS AND LOSSES

	2016	2015
	HK$'000	*HK$'000*
Change in fair value of investments held-for-trading	**(78)**	(437)
Bank interest income	**—**	32
Dividend income from held-for-trading investments	**99**	5
Loss on disposal of property, plant and equipment	**—**	(23)
Other	**—**	(11)
	21	(434)

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest on bank borrowings	**26**	176

7. LOSS BEFORE TAXATION

	2016	2015
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging:		
Auditor's remuneration	**500**	500
Cost of inventories recognised as an expense	**21,854**	50,917
Depreciation of property, plant and equipment	**58**	170
Minimum lease payments in respect of premises under operating leases	**174**	200
Legal and professional fees	**2,925**	245
Staff costs including directors' emoluments		
— Salaries and other benefits	**4,353**	2,031
— Contributions to retirement benefits schemes	**289**	65
— Equity-settled share-based payments	**—**	1,805
Total staff costs	**4,642**	3,901

8. TAXATION CREDIT

	2016	2015
	HK$'000	*HK$'000*
Overprovision in prior year in Hong Kong	**—**	138

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong Profits Tax has been provided for in the consolidated financial statements as the Group has no assessable profits for both years.

9. DIVIDENDS

No dividend was paid or proposed during the year ended 30 September 2016, nor has any dividend been proposed since the end of the reporting period (2015: Nil).

10. LOSS PER SHARE

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

Loss

	2016	2015
	HK$'000	*HK$'000*
Loss for the purposes of basic and diluted loss per share		
Loss for the year attributable to owners of the Company	**(10,587)**	(5,280)

Number of shares

	2016	2015
Weighted average number of ordinary shares in issue for the purposes of basic and diluted loss per share	**694,754,098**	692,000,000

The computation of diluted loss per share for the years ended 30 September 2016 and 2015 does not assume the exercise of the Company's share options as they would reduce loss per share.

11. TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**1,975**	5,933
Bills receivables	**—**	1,580
Total trade and bills receivables	**1,975**	7,513
Deposits made to suppliers	**—**	6,994
Other receivables	**172**	71
	2,147	14,578

The following is an aging analysis of trade receivables presented based on the invoice date at the end of each reporting period and aging analysis of bills receivable presented based on the date of issuance of the bills at the end of each reporting period.

	2016	2015
	HK$'000	*HK$'000*
Trade receivables		
0–30 days	**748**	4,565
31–60 days	**1,227**	1,368
	1,975	5,933
Bills receivables		
Less than 30 days	**—**	1,580
	1,975	7,513

The Group's credit terms for its major customers are usually 15 to 60 days.

Before accepting any new customers, the Group assesses the potential customer's credit quality by investigating their historical credit record and defines credit limits by customers on individual basis. Recoverability and credit limit of the existing customers are reviewed by the Group regularly. The Group's entire trade receivable balances net of allowance for bad and doubtful debts are neither past due nor impaired. The directors of the Company considered that trade receivables which are neither past due nor impaired are of good credit quality and there are continuous subsequent settlements from these customers. The Group does not hold any collateral over trade receivables.

Movement in the allowance for bad and doubtful debts

	2016	2015
	HK$'000	*HK$'000*
Balance at 1 October	**—**	1,269
Amounts written off as uncollectible	**—**	(1,269)
Balance at 30 September	**—**	—

All receivables as at 30 September 2016 and 2015 were neither past due nor impaired, and thus the Group has not provided for impairment loss on trade receivables for both years.

12. TRADE PAYABLES

The following is an ageing analysis of trade payables, presented based on the invoice date at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
0–30 days	**824**	—

The credit periods on purchases of goods are usually from 1 month to 3 months.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Corporate Development

A significant step for the Group this year was the change of substantial shareholder. In March 2016, China Merit International Investment Inc. purchased 474,000,000 shares, which represent approximately 68.5% of the entire issued share capital of the Company, from Magic Ahead Investments Ltd. An unconditional cash offer for the outstanding shares and options of the Company was then made.

After the change of substantial shareholder, a new management team with extensive experience across various areas of the financial services industry has been introduced. The new management team has been actively looking for opportunities to diversify the business of the Group with the objective of improving existing operations and broadening sources of income. Leveraging on the expertise and experience of the new management team, the Group will benefit from their significant contributions for future business growth.

In addition, in order to better reflect the future business development of the Group, the name of the Company was changed in June 2016 from "Brilliance Worldwide Holdings Limited" to "China Hanya Group Holdings Limited" and the dual foreign name in Chinese of the Company "中國瀚亞集團控股有限公司" has been adopted by the Company to replace its Chinese name "金滿堂控股有限公司" for the purpose of identification.

Business Review

During the year under review, the Group was principally engaged in the distribution of apparel products. With unfavourable sales demand from the Group's major customers in Europe and keen competition from manufactures located in Southeast Asian countries, 2016 was a challenging year for the Group's distribution business.

Total turnover contributed from the sales of innerwear, casual wear and baby and children wear for the year ended 30 September 2016 were HK$15.2 million, HK$3.5 million and HK$4.4 million (for the year ended 30 September 2015: HK$30.3 million, HK$8.0 million and HK$16.1 million) respectively.

The challenging market conditions presented substantial difficulties to the Group's existing distribution operations. Against this backdrop, the Group has taken proactive initiative to improve performance of its distribution business by reducing the reliance on European market. In the light of the rising importance in the commerce of Southern China, in November 2016, the Group has already set up a subsidiary in Qianhai in China. The strategic move to expand the Group's market presence into China will facilitate collaboration with potential business partners to establish local sales and distribution network. This will serve as new catalysts to propel the development of the Group's distribution business of apparel and other products and will make solid contribution to the Group in the near term.

Financial Review

The turnover and cost of sales for the year ended 30 September 2016 was approximately HK$23.1 million and HK$21.9 million (2015: HK$54.4 million and HK$50.9 million), respectively. The gross profit was approximately HK$1.3 million at gross profit margin of 5.6%. Loss for the year attributable to owners has increased by HK$5.3 million from approximately HK$5.3 million for the year ended 30 September 2015 to HK$10.6 million for the year ended 30 September 2016. It was mainly due to the decrease in sales order as well as an increase in administrative expenses attributable to the Group's business diversification.

Liquidity and Financial Resources

At 30 September 2016, cash and bank balances of the Group amounted to approximately HK$35.6 million (At 30 September 2015: HK$6.8 million). The current ratio (current asset divided by current liabilities) of the Group was 18.5 times and 6.2 times as at 30 September 2016 and 2015, respectively. In view of the Group's current level of cash and bank balances, the Board is confident that the Group will have sufficient resources to meet its finance needs for its current operations as well as its new businesses.

Outlook

While the softening demand from European market will continue to pose strong headwinds for the Group's distribution business, the upcoming financial period is expected to remain challenging. Despite this, the Group has initiated its growth strategy and made good progress in the execution of its business plan to enhance the existing operations and develop new prospects for future growth.

Following the favorable development of the globalization of Renminbi and the latest Shenzhen-Hong Kong Stock Connect program, underlying investment demand from China investors will continue to surge as they look for investment opportunities with higher returns. Together the ongoing economic and financial reforms in China will continue to strengthen Hong Kong's role as a bridge between the mainland China and overseas markets. The capital market in Hong Kong will benefit from the influx of capital from China and investment from overseas investors into China.

Building on its unique advantages of human and financial resources, the Group is well positioned to seize the countless business opportunities arising from the prevailing trend in the Greater China region and Hong Kong. In September 2016, the Group entered into an agreement to acquire the entire issued shares of China Hanya Asset Management Limited. Subsequent to the year end in the fourth quarter of 2016, the Group entered into respective agreements to acquire Just In Time Finance Limited ("Just In Time Finance") and Shining Securities Company Limited. The Group believes that these new business ventures will enable the Group to tap into the potential of financial services industry. Going forward, the Group will continue to enhance its existing operations while exploring the possibility of other business opportunities with the aim to create long term value for the shareholders of the Company.

Final Dividend

The Directors do not recommend the payment of any dividend for the year ended 30 September 2016 (for the year ended 30 September 2015: Nil).

Contingent Liabilities

As at 30 September 2016, the Group did not have any significant contingent liabilities.

Significant Investments

As at 30 September 2016, the Group did not have any significant investment plans.

Future Plans for Material Investments or Capital Assets

There was no specific plan for material investments or capital assets as at 30 September 2016.

Material Acquisitions or Disposals

There were no material acquisitions or disposals during the year ended 30 September 2016 except on 27 September 2016, the Company signed a sale and purchase agreement with an independent third party to acquire the entire equity interest of China Hanya Asset Management Limited, a Hong Kong incorporated entity engaged in asset management services in Hong Kong, with a cash consideration of HK$5.8 million. The abovementioned acquisition has not yet been completed as at the date of this announcement.

Employees and Remuneration Policy

As at 30 September 2016, the Group has 7 Directors and 8 employees. Total staff costs, including Directors' emoluments and share-based payment, amounted to approximately HK$4.6 million for the year ended 30 September 2016 (for the year ended 30 September 2015: HK$3.9 million). The Group's remuneration policies were determined with reference to the performance, qualification and experience of individual employee, as well as the results of the Group and the market conditions. The Group provided discretionary bonus, medical insurance, provident fund, education subsidy and training to its employees. The Company adopted a share option scheme on 3 November 2010, under which the Company can grant options to, among others, employees of the Group to subscribe for shares of the Company with a view to rewarding them for their contributions to the Group and giving incentives to them for optimizing their future contributions to the Group.

CORPORATE GOVERNANCE REPORT

The Company has complied with the required code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") contained in Appendix 15 of the GEM Listing Rules during the year ended 30 September 2016, except for the followings:

(i) Under code provision A.2.1, the roles of chairman and chief executive officer ("CEO") should be separated and should not be performed by the same individual. Mr. Ko Chun Hay, Kelvin, who acted as the chairman and the CEO of the Company, was responsible for the overall business strategy and development and management of the Group during the period from 1 October 2015 to 20 May 2016. With effective from 20 May 2016, Mr. Liu Sit Lun was appointed as chairman of the Board and the CEO of the Company. The Board meets regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Directors. The roles of the other executive Directors, who are in charge of different functions, complement the role of the chairman and the CEO. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. As such, the structure is beneficial to the Group and the shareholders of the Company as a whole.

(ii) Code provision A.1.3 stipulates that at least 14 days' notice should be given for a regular board meeting. As there have been significant changes in Directors due to acquisition plan, notices of the regular Board meetings were given 0–4 days before the meetings but not more than 14 days during the year.

(iii) Code provision C.3.3(e) stipulates that the audit committee must meet, at least twice a year, with the Company's auditors. The audit committee held the meeting once only during the year ended 30 September 2016 to review the financial results for the three months ended 30 June 2016 and the Group's compliance with the applicable GEM Listing Rules.

COMPETING INTEREST

For the year ended 30 September 2016, the Directors were not aware of any business or interest of the Directors and their respective associates (as defined under the GEM Listing Rules) that competes or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 30 September 2016, the Company adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding directors' securities transactions in securities of the Company. Upon the Company's specific enquiry, each Director confirmed that during the year ended 30 September 2016, he/she had fully complied with the required standard of dealings and there was no event of non-compliance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 30 September 2016, neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed under the section headed "Material Acquisitions or Disposals", on 3 November 2016, the Company signed a sale and purchase agreement with an independent third party to acquire entire equity interest of Shining Securities Company Limited, a Hong Kong incorporated entity engaged in the business of securities dealings business, with a consideration of HK$24.0 million. The consideration is settled with the issuance of 25,000,000 new shares of the Company. This acquisition has not yet been completed as at the date of this announcement.

In October 2016, the Company entered into a sale and purchase agreement with an independent third party to acquire entire issued shares of Just In Time Finance at a consideration of HK$1.0 million. Just In Time Finance is incorporated in Hong Kong with principal business of money lending in Hong Kong. The acquisition has been completed subsequently as at 30 November 2016.

AUDIT COMMITTEE

The Company has established an audit committee on 3 November 2010 with written terms of reference in compliance with the GEM Listing Rules. The audit committee has four members comprising all the independent non-executive Directors, namely, Ms. Sun Yuan as the chairman of the audit committee, Ms. Yang Haibi, Mr. Zhang Tianbao and Ms. Sun Huiyan.

The consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 September 2016 have been reviewed by the audit committee.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 September 2016 as set out in the preliminary announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu 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 Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By order of the Board
China Hanya Group Holdings Limited
Liu Sit Lun
Chairman

Hong Kong, 15 December 2016

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Liu Sit Lun (Chairman and Chief Executive Officer), Mr. Law Kin Wah Kenneth and Ms. Sun Wing Man Doris, and four independent non-executive Directors, namely Ms. Yang Haibi, Ms. Sun Yuan, Mr. Zhang Tianbao and Ms. Sun Huiyan.