中 達 金 融 集 團 有 限 公 司

Central Wealth Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

2015 Annual Report

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Siu Yun Fat *(Chairman and Chief Executive Officer)*
Mr. Lau Fai Lawrence
Mr. Yang Yang
Mr. Yu Qingrui

Independent Non-Executive Directors

Mr. Chan Yee Por Simon
Mr. Siu Siu Ling, Robert
Mr. Tam Tak Wah

AUDIT COMMITTEE

Mr. Tam Tak Wah *(Chairman)*
Mr. Chan Yee Por Simon
Mr. Siu Siu Ling, Robert

REMUNERATION COMMITTEE

Mr. Chan Yee Por Simon *(Chairman)*
Mr. Siu Siu Ling, Robert
Mr. Tam Tak Wah

NOMINATION COMMITTEE

Mr. Chan Yee Por Simon *(Chairman)*
Mr. Siu Siu Ling, Robert
Mr. Tam Tak Wah

COMPANY SECRETARY

Mr. Lau Cheuk Pun

SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 912, 9th Floor
New East Ocean Centre
9 Science Museum Road
Kowloon, Hong Kong

REGISTERED OFFICE

Cricket Square Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

AUDITOR

ZHONGLEI (HK) CPA Company Limited
Suites 313-316, 3/F., Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Public Bank (Hong Kong) Limited
Chong Hing Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

COMPANY WEBSITE

http://www.centralwealth.com.hk

On behalf of the board of directors (the "**Board**"), of Central Wealth Financial Group Limited (the "**Company**"), I hereby present the annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2015.

REVIEW OF RESULTS

The Group recorded a consolidated net loss attributable to owners of the Company of approximately HKD47,620,000 for the year ended 31 December 2015.

BUSINESS REVIEW

The Company is an investment holding company. The Company and its subsidiaries (the "**Group**") are principally engaged in (i) trading business and related services; (ii) securities trading and investment; (iii) provision of financing services, and (iv) investment property in Hong Kong.

Trading business and related services

During the year ended 31 December 2015, the revenue for the mobile shopping platform together with the trading business amounted to approximately HKD34,750,000 (2014: HKD68,495,000) and a loss of approximately HKD18,263,000 (2014: profit of approximately HKD16,932,000) was recorded which was mainly due to impairment loss amounted to approximately HKD17,616,000 recognised in respect of other receivable and decrease in demand from our customers.

On 3 November 2015, the Group entered into the conditional sale and purchase agreement (the "**Disposal Agreement**") with Mr. Chen Huaide, the former Chairman and a former executive director of the Company who resigned as Chairman and an executive director of the Company with effect from 24 November 2015, pursuant to which the Group has agreed to sell 100% equity interest of wholly owned subsidiary Boway Enterprises (International) Limited ("**Boway Enterprises**") at a consideration of HKD3,300,000. Boway Enterprises is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and wholly owned a subsidiary 廣州富佑網絡科技有限公司 (Guangzhou For You Internet Technology Company Limited*)("**Guangzhou For You**"), a company established in the PRC with limited liability. Guangzhou For You is principally engaged in trading business through the one-stop online shopping platform by using the customers' internet connected mobile devices such as smartphones and tablet PCs. This mobile shopping platform can be accessed through the WeChat Public Platform*（微信公眾平台）. The disposal was completed on 31 December 2015 and recorded a gain on disposal of subsidiaries of approximately HKD589,000.

The disposal constituted a major transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and a connected transaction of the Company under Chapter 14A of the Listing Rules. The disposal was approved at the extraordinary general meeting on 23 December 2015 and was completed on 31 December 2015. For detail, please refer to the Company's announcement dated 3 November 2015 and circular dated 8 December 2015.

The Company considers that the disposal is an opportunity for the Company to realise its investments in Boway Enterprises and Guangzhou For You. Further, the proceeds from the disposal can further strengthen the cash flow of the Group and will allow the Group to reallocate its resources for future development.

Treasury Business

The treasury business includes securities trading and money lending business.

The Group's securities trading portfolio comprised of securities listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year ended 31 December 2015. The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. For the year ended 31 December 2015, the revenue of trading securities amounted to approximately HKD4,804,000 (2014: HKD326,000) and a loss of approximately HKD5,600,000 (2014: profit of approximately HKD190,000) was recorded due to unrealised loss of investments at fair value through profit or loss of approximately HKD9,037,000 (2014: Nil).

A wholly-owned subsidiary of Group, Globally Finance Limited ("**Globally Finance**"), which held the Money Lenders Licence in Hong Kong since early of 2015, carried a licensed money lending business in Hong Kong. During the year ended 31 December 2015, Globally Finance generated revenue with amount of approximately HKD1,174,000 and a profit of approximately HKD1,103,000 was recorded.

Investment property

On 17 August 2015, Sky Eagle Global Limited ("**Sky Eagle**"), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Great Well Properties Limited ("**Great Well**") pursuant to which Sky Eagle conditionally agreed to purchase and Great Well conditionally agreed to sell the entire interests in Metro Victor Limited ("**Metro Victor**") for an aggregate consideration of HKD210,000,000 of which HKD110,000,000 was satisfied in cash and the remaining balance of HKD100,000,000 was satisfied by issuing the promissory notes carry interest rate at 2% per annum with a 2 year maturity to Great Well upon completion, Metor Victor is a company incorporated in Hong Kong and is principally engaged in property investment. The acquisition constitutes a very substantial acquisition (the "**VSA**") on the part of the Company under Rule 14.06 of the Listing Rules. The VSA was completed in November 2015. The amount of HKD100,000,000 promissory note was fully settled during the year. For more information on the VSA, please refer to the Company's announcements and circular dated 17 August 2015 and 23 October 2015 respectively.

Metro Victor is currently holding a property located at No. 2 Lincoln Road, Kowloon, Hong Kong. The details of the investment property are as follows:

Location	Group interest	Category of lease	Use
No. 2 Lincoln Road, Kowloon, Hong Kong (New Kowloon Island Lot No. 705)	100%	Medium term	Residential

The Directors considered that the acquisition of Metro Victor represents an investment opportunity to participate in Hong Kong property investment market and the tenancy agreement will provide stable income for the Group.

While the Group has only acquired Metro Victor for a relatively short span of time, it is noted that the property market in Hong Kong has become volatile since completion of the acquisition. With the announcement of increase of interest rate by the United States of America in December 2015, the property market in Hong Kong is subject to uncertainties and becomes volatile in light of the contemplation of increase in interest rate in Hong Kong. The Centa-City Index shows a decrease trend since November 2015 from approximately 141 in November 2015 to approximately 132. As such, the Company entered into the sale and purchase agreement with Gold Mission Limited ("**Gold Mission**") in relation to the disposal of the entire interests in Sky Eagle and all obligations, liabilities and debts owing or incurred by Sky Eagle to the Company on 4 March 2016 (the "**Disposal**") for an aggregate consideration of HKD218,000,000, of which HKD7,000,000 will be satisfied in cash, and the remaining balance of HKD211,000,000 shall be satisfied by the allotment and issue of the 1,300,000,000 ordinary shares of Skyway Securities Group Limited amounting to HKD182,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD29,000,000 by Gold Mission upon completion. The Directors are of the view that the Disposal will be a prudent decision to avoid putting all eggs in the same basket. For more information of the Disposal, please refer to the Company's announcement dated 4 March 2016.

The Company considers that the Disposal is an opportunity for the Company to realize its investment in Sky Eagle and Metro Victor. Furthermore, taking into consideration of the gain from the Disposal, the Company considers it can reutilise the proceeds towards other appropriate investment opportunities for better return for its Shareholders.

On 2 February 2016, Skypark Developments Limited ("**Skypark**"), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Eternal Vantage Investment Limited (the "**Vender**") pursuant to which Skypark conditionally agreed to purchase and the Vendor agreed to sell the entire interests in Chinacorp (HK) Investment Limited ("**Chinacorp**") for an aggregate consideration of HKD117,000,000, of which HKD32,000,000 will be satisfied in cash and the remaining balance of HKD85,000,000 shall be satisfied by the allotment and issue of 640,000,000 ordinary shares of the Company amounting to HKD80,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD5,000,000 to the Vendor upon completion. Chinacorp is a company incorporated in Hong Kong and is principally engaged in property investment. The acquisition constitutes a major transaction (the "**Major Transaction**") on the part of the Company under Rule 14 of the Listing Rules. The acquisition is expected to be completed on the fifth business day after the fulfilment (or waiver) of the condition mentioned in the sale and purchase agreement. For more information of the acquisition, please refer to the Company's announcement dated 2 February 2016.

Chinacorp is currently holding a property located at No. 19, Cumberland Road, Kowloon, Hong Kong. The Vendor will deliver the property at vacant possession upon completion. It is the intention of the Group to lease out the property after completion, which will allow the Group to have stable rental income.

During the year ended 31 December 2015, the Group recorded a rental income of approximately HKD450,000 and revaluation gain of approximately HKD6,207,000 arising from change in fair value of investment property from the property investment segment.

Interests in associates – Securities brokerage

On 8 May 2015, the Group entered into a share purchase agreement with an independent third party pursuant to which the Group has agreed to sell 66% equity interests of a wholly owned subsidiary Instant Achieve Limited ("**IAL**"), including its direct wholly owned subsidiary, Central Wealth Securities Investment Limited ("**CWSI**") (collectively referred to "**Instant Achieve Group**") at a consideration of HKD330,000. The disposal was completed on 14 May 2015 and recorded a gain on disposal of subsidiaries of approximately HKD746,000. After the disposal, the Group owns 34% equity interests of Instant Achieve Group.

The Group invested in securities brokerage business in Hong Kong through investment in associates, CWSI and Central Wealth Futures Limited ("**CWF**"). CWSI and CWF are incorporated in Hong Kong with limited liability and are wholly owned by IAL, which in turn is owned as to 34% by the Group as at 31 December 2015. IAL, CWSI and CWF are treated as associated companies of the Group and the Company adopted equity accounting method in preparing the consolidated financial statements of the Group.

After the disposal of abovementioned, Instant Achieve Group recorded a loss of approximately HKD707,000 during the period from 15 May 2015 to 31 December 2015 and the share of loss of associated companies by the Group was approximately HKD240,000.

CWSI has obtained the Stock Exchange Trading Right from the Stock Exchange and licenses from the Securities and Futures Commission to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities.

CWF was established in July 2015. As at the date of this report, CWF has obtained the licenses from the Securities and Futures Commission to carry out Type 2 (Dealing in futures contracts) and Type 5 (advising on futures contracts) regulated activities.

The Directors are optimistic to the securities market development in Hong Kong and consider that there will be business prospects in CWSI and CWF. CWSI commences its business in September 2015 and faced substantial funding requirements for its operations. CWSI currently provides brokerage services to its clients for trading in securities listed on the Stock Exchange and margin and IPO financings to its clients and will further expand to other related area in future. On 30 September 2015, Globally Finance granted a loan facility ("**Loan Facility**") with the call option ("**Call Option**") in the amount up to HKD29,000,000 to IAL and increased the principal amount of the Loan Facility to HKD90,000,000 on 27 October 2015 subsequently. As at 31 December 2015, Globally Finance provided HKD80,000,000 of loan to financing IAL. For more information of the Loan Facility and Call Option, please refer to the Company's announcements dated 30 September 2015 and 27 October 2015. The grant of Loan Facility to IAL with the Call Option will allow the Group to have a stake in CWSI and CWF but will also limit the risks of the Group as the Group will be entitled to recover the principal amount of the Loan(s) in the unlikely event that the business of CWSI and CWF would not perform as expected.

The fair value gain arising from the Call Option granted from the shareholder of IAL to a subsidiary of the Company to acquire 66% issued share capital of IAL of approximately HKD5,292,000 was recorded through profit and loss from Call Option during the year ended 31 December 2015.

UPDATE REGARDING THE LATEST DEVELOPMENT OF THE RETAKING CONTROL OF THE DECONSOLIDATED SUBSIDIARIES

The Board wishes to provide an update regarding the latest development of the legal action of the retaking control of the deconsolidation of two subsidiaries the Company since the issuance of the Company's annual report for the year ended 31 December 2014. Reference is made to the annual report of the Company for the years ended 31 December 2013 and 31 December 2014 respectively in relation to deconsolidation of two subsidiaries of the Company, Bloxworth Enterprises Limited ("**Bloxworth**") and Shanxi Zhanpen Metal Products Co., Ltd（山西展鵬金屬製品有限公司）("**Zhanpen**").

During the year ended 31 December 2015, the Company was still unable to access the books and records of Bloxworth and Zhanpen. The Company has engaged a notary public to attest and authenticate the relevant documents for the removal and appointment of directors of Zhanpen for the purpose of litigation. During the second half of the year ended 31 December 2015, the writ of summons and relevant documents had been filed to the People's court of Fenyang county（汾陽市人民法院）(the "**Court**") and a case acceptance notice（受理案件通知書）was received by the Company. The Court had issued a summons（傳票）for a hearing on 2 March 2016. Up to the date of this report, the Court not yet issued any judgment.

PROSPECTS

During the year ended 31 December 2015, the management of the Company has directed its resources on exploring opportunities in trading business and related services and treasury business including securities trading and money lending business so as to create long-term value for its shareholders. The Board believes that the business performance of the Group will be further improved.

In respect of the trading business, the Group will continue to explore this trading business in order to diversify the products portfolio.

In respect of the securities trading, the Group is optimistic on the economic growth in China and believes that Hong Kong would also be benefited. Therefore, it is expected that the Group will continue to invest in the Hong Kong equity market by enhancing the use of the surplus working capital and will continue to seek attractive investment opportunities with the aim of deriving dividend income and/or gain from trading of listed securities.

In respect of the money lending business, due to the nature of Hong Kong's loan market, the demand of loan is expected to increase substantially. The Board believes that the money lending business will give the Group an opportunity to obtain a higher return for the fund under the current low interest rate environment and will generate satisfactory revenue for the Group.

The Group is optimistic that the trading business and treasury business (i.e. trading of listed securities and money lending) will have positive gross profit and will generate positive cash flow from operations.

While the recent property market in Hong Kong is subject to fluctuations as a result of the uncertainty in the global economic environment, the Board considers that there remain investment opportunities existing in the market and the local bank interest rate remains at a relatively low level. The Board will monitor the investment property portfolio of the Group and also the market development and will reallocate resources of the Group in order to maximize the return to the shareholders.

Other than the existing business as named hereinabove which is on an on-going basis, the management will explore other business opportunities to diversify its business portfolio with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

APPRECIATION

I would like to take this opportunity to express the Board's sincere gratitude to all Shareholders, investors, bankers, business associates and customers for their continuous support to the Group, and to all staff members for their hard work and contributions during the past year.

On behalf of the Board
Siu Yun Fat
Chairman

Hong Kong, 21 March 2016

FINANCIAL REVIEW

The consolidated net loss attributable to owners of the Company for the year ended 31 December 2015 was approximately HKD47,620,000 equivalent to a loss of Hong Kong 1.22 cents per share, compared with a profit of HKD2,715,000, equivalent to an earning of Hong Kong 0.10 cents per share for last year. The loss was mainly attributed to (i) impairment loss amounted to approximately HKD17,616,000 recognised in respect of other receivable; (ii) net unrealised loss of investments at fair value through profit or loss of approximately HKD9,037,000; and (iii) the share-based payment expenses of approximately HKD27,163,000 arising from granting of share options during the year ended 31 December 2015.

In regard to the operational front, the Group recorded a revenue of approximately HKD41,178,000 for the year ended 31 December 2015, representing an decrease of 40.2% compared with last year. The decrease in revenue was resulted from the decrease in scale of the trading business and net realised gain from trading of listed securities.

LIQUIDITY, FINANCIAL, RESOURCES AND FUNDING

During the year ended 31 December 2015, the Group's primary source of funding included cash generated from its operating activities and placing of shares. The Group successfully raised funds of approximately HKD170,560,000 and HKD94,500,000 before expenses from the placing of shares under general mandate completed in July 2015 and October 2015 respectively and funds of approximately HKD121,500,000 before expenses from the placing of shares under specific mandate completed in December 2015.

The Group had total cash and bank balances of approximately HKD98,114,000 as at 31 December 2015 (2014: HKD45,082,000). The Group had total bank borrowings of approximately HKD187,180,000 as at 31 December 2015 which were secured by Metro Victor's property (2014: Nil). The gearing ratio, which is calculated as bank borrowings divided by total equity, was 43.6% (2014: Nil). Net assets were approximately HKD429,215,000 (2014: Net assets HKD63,899,000).

The Group recorded total current assets of approximately HKD230,841,000 as at 31 December 2015 (2014: HKD86,221,000) and total current liabilities of approximately HKD209,787,000 (2014: HKD22,901,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.10 as at 31 December 2015 (2014: 3.76). The decrease in current ratio was mainly due to bank borrowings included in Metro Victor which was acquired by the Group during the year ended 31 December 2015.

The Group's finance costs for the period under review was approximately HKD501,000 (2014: HKD77,000) and was mainly related to interests paid on the bank borrowings and promissory notes.

The Group recorded a net loss attributable to owners of the Company of approximately HKD47,620,000 (2014: profit of HKD2,715,000).

Foreign Currency Management

The Group has minimal exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi.

The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary.

Pledge of Assets

As at 31 December 2015, Metro Victor had pledged its investment property with a carrying amount of HKD403,000,000 to secure against the bank borrowings granted to Metro Victor (2014: Nil).

LITIGATIONS AND CONTINGENCIES

Details of litigations and contingencies are set out in Note 36 to the consolidated financial statements.

RISKS AND UNCERTAINTIES

The Company has identified principal risks and uncertainties that the Group faces with respect to economic risks, operational risks, regulatory risks, financial risks, and specific risks related to the Group's corporate structure. The Group's business, future results of operations and future prospects could be materially and adversely affected by those risks and uncertainties. The following highlights the principal risks and uncertainties of the Group and it is not meant to be exhaustive. There may be other risks and uncertainties which are not known to the Group or which may not be material now but turn out to be material in the future.

Economic Risks

– A severe or prolonged downturn of economy.

– Negative effect on our operational, financing or investing activities due to inflation, fluctuations of interest rates and other measures relating to financial policies.

Operational Risks

– Failure to compete in the competitive environment which the Group operates in.

Financial Risk

– Details of financial risk are set out in Note 42 to the consolidated financial statements.

Capital Risk

– Details of capital risk are set out in Note 40 to the consolidated financial statements.

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

(a) Acquisition of Metro Victor

On 17 August 2015, Sky Eagle, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Great Well pursuant to which Sky Eagle conditionally agreed to purchase and Great Well conditionally agreed to sell the entire interests in Metro Victor, a company incorporated in Hong Kong and is principally engaged in property investment. The acquisition constitutes a VSA on the part of the Company under Rule 14.06 of the Listing Rules. The VSA was completed in November 2015. For more information on the VSA, please refer to the Company's announcements and circular dated 17 August 2015 and 23 October 2015 respectively.

Metro Victor is currently holding a property located at No. 2 Lincoln Road, Kowloon, Hong Kong. The Directors considered that the acquisition of Metro Victor represents an investment opportunity to participate in Hong Kong property investment market and the tenancy agreement will provide stable income for the Group.

(b) Disposal of Boway Enterprises

On 3 November 2015, the Group entered into the Disposal Agreement with Mr. Chen Huaide, the former Chairman and a former executive director of the Company who resigned as Chairman and an executive director of the Company with effect from 24 November 2015, pursuant to which the Group has agreed to sell 100% equity interests of wholly owned subsidiary Boway Enterprises at a consideration of HKD3,300,000. Boway Enterprises is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and wholly owned a subsidiary Guangzhou For You, a company established in the PRC with limited liability. Guangzhou For You is principally engaged in trading business through the one-stop online shopping platform by using the customers' internet connected mobile devices such as smartphones and tablet PCs. This mobile shopping platform can be accessed through the WeChat Public Platform*（微信公眾平台）. The disposal was completed on 31 December 2015 and recorded a gain on disposal of subsidiaries of approximately HKD589,000.

The disposal constituted a major transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. The disposal was approved at the extraordinary general meeting on 23 December 2015 and was completed on 31 December 2015. For detail, please refer to the Company's announcement dated 3 November 2015 and circular dated 8 December 2015.

(c) Disposal of 66% interest in Instant Achieve

On 8 May 2015, the Group entered into a share purchase agreement with an independent third party pursuant to which the Group has agreed to sell 66% equity interests of wholly owned subsidiary IAL, including its direct wholly owned subsidiary, CWSI at a consideration of HKD330,000. The disposal was completed on 14 May 2015 and recorded a gain on disposal of subsidiaries of approximately HKD746,000. After the disposal, the Group owns 34% equity interests of Instant Achieve Group and Instant Achieve Group are treated as associated companies of the Group and the Company adopted equity accounting method in preparing the consolidated financial statements of the Group.

Except for the above, the Group had no other material acquisition or disposal of subsidiaries for the year ended 31 December 2015.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2015, the Group had 11 employees including executive directors of the Company (2014: 26 employees situated in PRC and Hong Kong) situated in Hong Kong. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the year ended 31 December 2015, the total staff costs including remuneration of directors and chief executive amounted to approximately HKD19,633,000 (2014: HKD5,772,000).

CAPITAL STRUCTURE

Placing of new shares under general mandate on 17 July 2015

On 26 June 2015, the Company, entered into a placing agreement under the general mandate (the "**GM Placing Agreement I**") with the placing agent (the "**Placing Agent**"), pursuant to which the Company conditionally agreed to place through the Placing Agent, on a best effort basis, up to 656,000,000 new shares (the "**GM Placing Shares I**") of the Company with an aggregate nominal value of HKD656,000 to independent third parties at a price of HKD0.26 per GM Placing Share I (collectively, the "**GM Placing I**"). The 656,000,000 GM Placing Shares I under the GM Placing I were issued under the general mandate which was granted to the directors at the annual general meeting of the Company held on 21 July 2014.

The placing price of HKD0.26 per GM Placing Share I represents (i) a discount of approximately 17.46% to the closing price of HKD0.315 per share as at the date of the GM Placing Agreement I; and (ii) a discount of approximately 16.67% to the average closing price of HKD0.312 per share for the five consecutive trading days immediately prior to the date of the GM Placing Agreement I.

The GM Placing Shares I under the GM Placing I represent (i) approximately 18.63% of the existing issued share capital of the Company as at the date of GM Placing Agreement I; and (ii) approximately 15.70% of the issued share capital of the Company as enlarged by the allotment and issue of the GM Placing Shares I.

Based on the closing price of HKD0.315 per share on 26 June 2015, the GM Placing Shares I had a market price of HKD206,640,000. The completion of the GM Placing I took place on 17 July 2015 and 656,000,000 GM Placing Shares I were alloted and issued to not fewer than six placees. The net price per GM Placing Share I is approximately HKD0.251 and the net process from the GM Placing I is approximately HKD165 million. The net proceeds from the GM Placing I are intended to be used as (i) approximately HKD60 million for investment in listed securities and property in Hong Kong; (ii) approximately HKD45 million for the money lending business of the Group; (iii) approximately HKD40 million for business development of CWSI; and (iv) the remaining balance of approximately HKD20 million for the general working capital of the Group to meet any future business development and obligations. Further details of the GM Placing I were set out in the announcement of the Company dated 26 June 2015 and 17 July 2015.

As stated in the announcement of the Company dated 26 June 2015, the Directors are of the view that the GM Placing I can strengthen the financial position of the Group and provide funding to the Group to meet any future development opportunities and obligations. The GM Placing I also represents good opportunities to broaden the Shareholders' base and the capital base of the Company.

Placing of new shares under general mandate and specific mandate on 22 October 2015 and 11 December 2015 respectively

On 22 September 2015, the Company, entered into another placing agreement under the general mandate (the "**GM Placing Agreement II**") with the Placing Agent, pursuant to which the Company conditionally agreed to placing through the Placing Agent, on a best effort basis, up to 700,000,000 new shares (the "**GM Placing Shares II**") of the Company with an aggregate nominal value of HKD700,000 to independent third parties at a price of HKD0.135 per GM Placing Share II (collectively, the "**GM Placing II**"). The 700,000,000 GM Placing Shares II under the GM Placing II were issued under the general mandate which was granted to the directors at the annual general meeting of the Company held on 30 June 2015. The completion of the GM Placing II took place on 22 October 2015 and 700,000,000 GM Placing Shares II were alloted and issued to not fewer than six placees.

On the same day of 22 September 2015, the Company and the Placing Agent also entered into another placing agreement (the "**SM Placing Agreement**") under a specific mandate, pursuant to which, the Company has conditionally agreed to place through the Placing Agent on a best endeavor basis, up to 900,000,000 placing shares (the "**SM Placing Shares**") to independent third parties at a placing price HKD0.135 per SM Placing Share (collectively, the "**SM Placing**"). Pursuant to an ordinary resolution passed by the Shareholders at the special general meeting on 3 December 2015 and all of the conditions as set out in the Company's circular dated 17 November 2015 had been fulfilled, the SM Placing was completed on 11 December 2015 and 900,000,000 SM Placing Shares were alloted and issued to not fewer than six placees.

The placing price of HKD0.135 per GM Placing Share II and SM Placing Share represents (i) a discount of approximately 17.68% to the closing price of HKD0.164 per share as at the date of the GM Placing Agreement II and SM Placing Agreement; and (ii) a discount of approximately 19.64% to the average closing price of HKD0.168 per share for the five consecutive trading days immediately prior to the date of the GM Placing Agreement II and SM Placing Agreement.

The GM Placing Shares II under the GM Placing II represented (i) approximately 16.76% of the existing issued share capital of the Company as at the date of GM Placing Agreement II; (ii) approximately 14.35% of the issued share capital of the Company as enlarged by the allotment and issue of the GM Placing Shares II; and (iii) approximately 12.12% of the issued share capital of the Company as enlarged by the allotment and issue of the GM Placing Shares II and the SM Placing Shares.

The SM Placing Shares under the SM Placing represented (i) approximately 21.54% of the existing issued share capital of the Company as at the date of SM Placing Agreement; (ii) approximately 17.72% of the issued share capital of the Company as enlarged by the allotment and issue of the SM Placing Shares; and (iii) approximately 15.58% of the issued share capital of the Company as enlarged by the allotment and issue of the GM Placing Shares II and the SM Placing Shares.

Based on the closing price of HKD0.164 per share on 22 September 2015, the GM Placing Shares II and SM Placing Shares had a market price of HKD114,800,000 and HKD147,600,000 respectively. The gross proceeds and the net proceeds from both the GM Placing II and the SM Placing are approximately HKD216 million and HKD208 million respectively. On such basis, the net issue price is approximately HKD0.130 per GM Placing Share II and SM Placing Share. The net proceeds from the GM Placing II and SM Placing are intended to be used (i) as to approximately HKD130 million for repayment of the promissory notes to be issued pursuant to the terms of the VSA; (ii) as to approximately HKD30 million for investments in listed securities and property; (iii) as to approximately HKD30 million for the business development of CWSI; and (iv) as to approximately HKD18 million for general working capital. Further detail of the GM Placing II and SM Placing were set out in the announcement of the Company dated 22 September 2015, 22 October 2015 and 11 December 2015 and the circular of the Company dated 17 November 2015.

As stated in the announcement of the Company dated 22 September 2015, the Directors are of the view that the GM Placing II and SM Placing can strengthen the financial position of the Group and provide funding to the Group to meet any future development opportunities and obligations. The GM Placing II and SM Placing also represent good opportunities to broaden the Shareholders' base and the capital base of the Company.

As at 31 December 2015, the use of proceeds from the above fund raising activities are summarized as below:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
26 June 2015 and 17 July 2015	Placing of up to 656,000,000 GM Placing Shares I at the price of HKD0.26 per GM Placing Share	The net proceeds from the GM Placing I amount to approximately HKD165 million	The net proceeds from the GM placing I amount to approximately HKD165 million will be used as to (i) approximately HKD60 million for investment in listed securities and property in Hong Kong; (ii) approximately HKD45 million for the money lending business of the Group; (iii) approximately HKD40 million for business development of CWSI; and (iv) the remaining balance of approximately HKD20 million for the general working capital of the Group to meet any future business development and obligations	(i) HKD60 million has been utilized for settlement part of consideration of the VSA; (ii) approximately HKD$12 million has been utilized for the money lending business with the remaining balance of HKD33 million will be utilized for the money lending business; (iii) HKD40 million has been utilized for the business of CWSI as announced on 30 September 2015 and 27 October 2015; and (iv) HKD4 million has been utilized for the general working capital of the Group with the remaining balance of HKD16 million has been utilized for investments in listed securities
22 September 2015, 22 October 2015 and 11 December 2015	Placing of up to 700,000,000 GM Placing Shares II at the price of HKD0.135 per GM Placing Share II and 900,000,000 SM Placing Shares at HKD0.135 per SM Placing Share	The net proceeds from both the GM Placing II and the SM Placing amount to approximately HKD208 million	The net proceeds from both the GM Placing II and the SM Placing amount to approximately HKD208 million will be used (i) as to approximately HKD130 million for repayment of the promissory notes to be issued pursuant to the terms of the VSA; (ii) as to approximately HKD30 million for investments in listed securities and property; (iii) as to approximately HKD30 million for the business development of CWSI; and (iv) as to approximately HKD18 million for general working capital	(i) HKD130 million has been utilized for repayment of promissory notes and settlement part of consideration of the VSA; (ii) HKD20 million has been utilized for settlement part of consideration of the VSA with the remaining balance of HKD10 million has been utilized for the investments in listed securities; (iii) HKD30 million has been utilized for the business development of CWSI as announced on 30 September 2015 and 27 October 2015; and (iv) the remaining balance of approximately HKD18 million has been utilized for investments in listed securities

Placing of non-listed warrants

On 19 May 2015, the Company entered into the warrant placing agreement with the placing agent in connection with the warrant placing, pursuant to which the placing agent agreed to place, on a best effort basis, up to 657,000,000 warrants conferring rights to subscribe for up to 657,000,000 warrants shares at the warrant exercise price of HKD0.4 and placing price of HKD0.1 per warrant share (subject to adjustment) to the warrant placees who and their respective ultimate beneficial owners are independent third parties. Each warrant carries the right to subscribe for one warrant share. The placing of non-listed warrants has been passed by shareholders at the extraordinary general meeting of the Company held on 10 July 2015. Further details of the warrant placing were set out in the announcement of the Company dated 19 May 2015 and 15 July 2015 and the circular of the Company dated 24 June 2015.

It is expected that the aggregated net proceeds of approximately HKD52.4 million will be raised by the warrant placing and the same will be utilised by the Group as to approximately HKD10 million for the trading business of the Group, as to approximately HKD10 million for the money lending business of the Group, as to approximately HKD10 million for investments and as to the balance of approximately HKD22.4 million for the general working capital of the Group.

Assuming the full exercise of the subscription rights attaching to the warrants, it is expected up to approximately HKD262.8 million will be raised, which will be used for general working capital and future business development of the Group.

The warrant placing represents good opportunities to raise additional funds for the Group while broadening the shareholder and capital base of the Company. In addition, the warrants are not interest bearing and the warrant placing will not be resulted in any immediate dilution effect on the shareholding of the existing shareholders. in addition to the net proceeds that will be raised upon completion of the warrant placing, further capital will be raised upon the exercise of the subscription rights attaching to the warrants by the holder thereof during the subscription period.

In view of the immediate inflow of approximately HKD52.4 million upon completion of the warrant placing, coupled with the potential inflow of further capital upon the exercise of the subscription rights attaching to the warrants, the Directors are of the view that the warrant placing provides a good opportunity to strengthen the Company's financial position. And in the event the warrant placees fully exercise their subscription rights attaching to the warrants, further funds of up to approximately HKD262.8 million will be received to cater for future needs for its general working capital and future business development of the Group.

On 4 August 2015, the warrant placing agreement has been terminated pursuant to a termination agreement entered into between the Company and the placing agent in view of, among other things, the recent volatility in the local securities market. Accordingly, all antecedent obligations and liabilities of the parties under the warrant placing agreement shall be discharged and released. Further details of the termination of warrant placing were set out in the announcement of the Company dated 4 August 2015.

Exercise of share option

On 10 June 2015, 236,100,000 share options were exercised and 236,100,000 new ordinary shares of HKD0.001 each were issued during the year ended 31 December 2015. Upon the exercise of that 236,100,000 share options, the net proceeds of approximately HKD29,187,000 were raised for the general working capital of the Group.

As at 31 December 2015, the share capital of the Company comprises of 5,777,587,998 issued shares with par value of HKD0.001 as enlarged by the issue of placing shares and exercise of share option.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Siu Yun Fat

Mr. Siu, aged 33, is an executive Director, the chairman and chief executive officer of the Company. Mr. Siu obtained a Bachelor of Arts (Honours) degree in Accountancy from the Hong Kong Polytechnic University in November 2004. He has been a member of the Association of Chartered Certified Accountants since October 2008 and the Hong Kong Institute of Certified Public Accountants since February 2009, and has over ten years of experience in auditing, accounting and financial management. Mr. Siu served in various position of local and international accountants firms and securities companies.

Mr. Lau Fai Lawrence

Mr. Lau, aged 44, is currently a practising certified public accountant in Hong Kong, and a fellow member of the Association of Chartered Certified Accountants in the UK. Mr. Lau graduated from The University of Hong Kong with a bachelor's degree in business administration and from the Hong Kong Polytechnic University with a master's degree in corporate finance.

Mr. Lau joined BBMG Corporation (listed on the Main Board of the Stock Exchange) (Stock Code: 2009) on 6 August 2008 as joint company secretary and qualified accountant. Since 26 October 2012, Mr. Lau serves as the company secretary of BBMG Corporation.

Before joining BBMG Corporation, Mr. Lau has served as the group financial controller and qualified accountant of Founder Holdings Limited (Stock Code: 418) and PKU Resources (Holdings) Company Limited (previously know as EC-Founder (Holdings) Company Limited) (Stock Code: 618), both companies listed on the Main Board of the Stock Exchange.

Mr. Lau is also an independent non-executive director of Artini China Co. Ltd., (Stock Code: 789) and an independent non-executive director of Titan Petrochemicals Group Limited (Stock Code: 1192), both of these companies are listed on the Main Board of the Stock Exchange.

Mr. Yang Yang

Mr. Yang, aged 31, has extensive experience in sales and marketing in the PRC. He joined an automobile distributor in Shantou as sales manager after obtaining his diploma in electronic commerce from Guangdong Province Huanan Xinan Polytechnic*（廣東省華南師範新安職業技術學院）in 2007. Mr. Yang subsequently joined a trading company and served as the assistant to the general manager in 2010. In 2011 he joined another trading company that specializes in the trading of precious metals and served as their general manager. Since 2012, Mr. Yang served as the director of sales（銷售總監）of a reputable business entity in Guangdong Province, who is responsible for overseeing the sales and marketing of European automobiles in the Shantou area.

Mr. Yu Qingrui

Mr. Yu, aged 44, specializes in property investment and trading business in the PRC. After graduating from high-school in 1989, Mr. Yu joined the shipping and trading business in the PRC. He was the general manager of a shipping company before he became a private investor in 2003. In 2011, Mr. Yu joined a marketing and management firm in Shanghai and served as their property investment manager.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Siu Siu Ling, Robert

Mr. Siu, aged 63, has been appointed as independent non-executive Director with effect from 1 November 2011. He is a sole proprietor of the firm, Messrs. Robert Siu & Co., Solicitors. He is also an independent non-executive director of Kaisun Energy Group Limited (stock code: 8203) and Finet Group Limited (stock code: 8317), both of them are listed on the Growth Enterprise Market of the Stock Exchange. Mr. Siu is also an independent non-executive director of Skyway Securities Group Limited (stock code: 1141), a company is listed on the Main Board of the Stock Exchange. Mr. Siu holds a bachelor's degree in laws from University of London in the United Kingdom and a postgraduate certificate in laws from The University of Hong Kong. He also holds a master degree of laws from the University of Greenwich. He has been admitted as a solicitor in Hong Kong since 1992 and has been admitted as a solicitor in England and Wales since 1993. His legal practice is mainly in the field of commercial and corporate finance.

Mr. Tam Tak Wah

Mr. Tam, aged 50, has been appointed as independent non-executive Director with effect from 1 November 2011. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom. He has been appointed to membership of Disciplinary Panel of the Hong Kong Institute of Certified Public Accountants for the period from 1 February 2014 to 31 January 2018. Mr. Tam has over 25 years of experience in accounting, corporate finance and corporate development. He is currently an executive director of International Standard Resources Holdings Limited (stock code: 91) and Skyway Securities Group Limited (stock code: 1141); an non-executive director of Kingbo Strike Limited (stock code: 1421) and an independent non-executive director of Tech Pro Technology Development Limited (stock code: 3823), all of them are listed on the Main Board of the Stock Exchange. Mr. Tam has been an independent non-executive director of Goldenway Inc., a company the common stock of which were traded in the OTCQB of the USA during the period from 10 November 2011 to 16 August 2013 and an independent non-executive director of Siberian Mining Group Company Limited, a Main Board listed company during the period from 11 June 2007 to 18 February 2014.

Mr. Chan Yee Por Simon

Mr. Chan, aged 62, has been appointed as independent non-executive Director with effect from 2 April 2013. Mr. Chan is a Certified Public Accountant (Practicing) of the Hong Kong Institute of Certified Public Accountants and sole proprietor of Simon Y.P. Chan & Co. Mr. Chan has been appointed as an independent non-executive director of Finsoft Corporation (stock code: 8018), a company is listed on the Growth Enterprise Market of the Stock Exchange, during the period from 23 March 2015 to 24 June 2015. Mr. Chan holds a Higher Diploma in Accountancy from Hong Kong Polytechnic University. He is a fellow member of The Chartered Association of Certified Accountants, the United Kingdom and The Hong Kong Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Mr. Lau Cheuk Pun, aged 41, is the chief financial officer and Company Secretary of the Company. Mr. Lau was graduated from University of Hertfordshire, United Kingdom with a Bachelor Degree. He is a member of the Hong Kong Institute of Certified Public Accountants. He has more than 10 years of experience in the field of finance and accounting including working in an international accounting firm.

Report of the Directors

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2015.

CHANGE OF COMPANY NAME AND STOCK SHORT NAME

Pursuant to a special resolution passed at an extraordinary general meeting of the Company held on 15 January 2016 and approved and issued a certificate of change of company name by the Registrar of Companies in the Cayman Islands on 19 January 2016 and the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 4 February 2016, the name of the Company was changed from "China For You Group Company Limited 中國富佑集團有限公司" to "Central Wealth Financial Group Limited 中達金融集團有限公司" with effect from 12 February 2016.

In connection with the change of company name, the shares of the Company have been traded on the Stock Exchange under the new stock name of "CENT WEALTH FIN" in English and "中達金融集團" in Chinese, in place of "CH FOR YOU GP" in English and "中國富佑" in Chinese, respectively, with effect from 17 February 2016. The stock code of the shares remain as "572".

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding. Details of the principal activities of its principal subsidiaries are set out in Note 39 to the consolidated financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Company Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 3 to 8 and 9 to 15 respectively.

RESULTS

The results of the Group for the year ended 31 December 2015 are set out in the consolidated statement of profit or loss and other comprehensive income on page 36.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2015 is set out in the section headed "Business Review" on page 3 to 6 of this annual report.

Compliance with Relevant Laws And Regulations

During the year, as far as the Directors are aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

Relationships with Stakeholders

Employees are regarded as the most important and valuable assets of the Group. Competitive remuneration packages and a sound performance appraisal system with appropriate incentives are provided and implemented to attract and motivate employees. In addition, to conform to the market standard, the Group regularly reviews the remuneration package of employees and makes necessary adjustments. Moreover, the Group understands the importance of maintaining good relationship with business partners is vital to achieve its long-term goals. Thus, senior management of the Group have kept good communication, promptly exchanged ideas and shared business update with them as and when appropriate. During the year, there was no material and significant dispute between the Group and its business partners.

Environmental Policies

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise its environmental impact by saving electricity and encouraging recycle of office supplies and other materials.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 December 2015 (2014: nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Company, is set out on page 118. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and of the Group during the year are set out in Note 16 to the consolidated financial statements.

SHARE CAPITAL, SHARE OPTIONS AND SHARE AWARD SCHEME

Details of movements in the Company's share capital, share options and share award scheme (the "**Share Award Scheme**") during the year are set out in Notes 28, 29 and 30 to the consolidated financial statements, respectively.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and laws of the Cayman Islands.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 December 2015 had been reviewed by the Audit Committee of the Company before they were duly approved by the Board under the recommendation of the Audit Committee.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2015, none of the Directors had an interest in a business which competes or may compete with the business of the Group during the period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company, except that the trustee of the Share Award Scheme, pursuant to the terms of the rules and trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 56,560,000 shares of the Company at a total consideration of HKD17,228,000.

RESERVES

The Company's reserves available for distribution to shareholders as at 31 December 2015 amounted to approximately HKD416,925,000 (2014: HKD53,742,000).

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 45 to the consolidated financial statements and in the consolidated statement of changes in equity, respectively.

DONATIONS

During the year under review, the Group did not make charitable and other donations (2014: nil).

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue during the year attributable to the Group's five largest customers was 75.39% of the Group's total revenue, of which 42.79% was made to the largest customer.

The aggregate purchase during the year attributable to the Group's five largest suppliers was 98.57% of the Group's total purchase, of which 61.34% was made to the largest supplier.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's customer or suppliers during the year.

DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Siu Yun Fat *(Chairman and Chief Executive Officer)*
Mr. Lau Fai Lawrence
Mr. Yang Yang
Mr. Yu Qingrui
Mr. Chen Huaide (resigned on 24 November 2015)

Independent Non-Executive Directors

Mr. Chan Yee Por Simon
Mr. Siu Siu Ling, Robert
Mr. Tam Tak Wah

In accordance with Article 108 of the Company's Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation. Details of the retiring Directors shall be set out in the circular, among other things for proposal for re-election of retiring directors accompanying to the notice of annual general meeting to be sent to be shareholders in due course.

During the year and up to the date of this report, Mr. Siu Yun Fat and Mr. Lau Fai Lawrence are also directors of subsidiaries of the Company.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the forthcoming annual general meeting (the "**AGM**") has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

Details of the Directors' remuneration are set out in Note 12 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Apart from the transaction disclosed under the heading "Material Related Party Transactions and Disclosures" as set out in Note 37 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any contract of significance to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2015, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Listing Rules, were as follows:

Interests and short positions in shares and underlying shares of the Company:

As at 31 December 2015, none of the Directors or chief executive of the Company had registered any interests or short positions in the Shares or underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Long position in the underlying shares of equity derivatives of the Company

Under the share option scheme of the Company (whose details are further described in the section headed "Share Option Scheme" below), share options were granted to the following Directors which entitled them to subscribe for ordinary shares of the Company. Accordingly, they were regarded as interested in the underlying Shares. Details of the share options of the Company held by them as at 31 December 2015 were as follows:

Name of Directors	Capacity	Date of grant	Exercise period	Number of shares over which options are exercisable as at 31 December 2015	Exercise price per share HKD	Approximate percentage of interest in the issued shares as at 31 December 2015
Siu Yun Fat	Beneficial owner	24 July 2014	24 July 2014 – 23 July 2016	32,800,000	0.1164	0.57%
	Beneficial owner	27 July 2015	27 July 2015 – 26 July 2017	35,000,000	0.335	0.60%
				67,800,000		1.17%
Yu Qingrui	Beneficial owner	24 July 2014	24 July 2014 – 23 July 2016	32,800,000	0.1164	0.57%
	Beneficial owner	27 July 2015	27 July 2015 – 26 July 2017	35,000,000	0.335	0.60%
				67,800,000		1.17%
Yang Yang	Beneficial owner	13 July 2015	13 July 2015 – 12 July 2017	35,000,000	0.27	0.60%
Lau Fai Lawrence	Beneficial owner	4 September 2015	4 September 2015 – 3 September 2017	600,000	0.201	0.01%

Save as disclosed above, as at 31 December 2015, none of the directors or chief executive of the Company had registered an interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the sections (i) "Directors' interests and short positions in Shares, underlying Shares and debentures" above; (ii) "Share Option Scheme" disclosure in Note 29 to the consolidated financial statements; and (iii) "Equity Settled Share-based Transactions" disclosure in Note 30 to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Pursuant to the written resolutions passed by all of the shareholders of the Company on 2 June 2003, the Company adopted a share option scheme (the "**Scheme 2003**"). Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 22 February 2012, the Scheme 2003 was terminated and a new share option scheme (the "**Scheme 2012**") was adopted. The adoption of Scheme 2012 will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Scheme 2003 and shall continue to be valid and subject to the provisions of Scheme 2003. The remaining life of the Scheme 2012, which will expire on 21 February 2022, is approximately 7 years from the date of this report.

During the year ended 31 December 2015, 378,800,000 share options (2014: 301,700,000 share options) were granted under the Scheme 2012 and the aggregate estimated fair value of the share options granted thereunder is approximately HKD9,256,000, HKD3,014,000 and HKD14,893,000 for directors, employees and consultants of the Company respectively (2014: approximately HKD549,000, HKD548,000 and HKD3,764,000 for directors, employees and consultants of the Company respectively). These fair values at grant date were calculated using the binomial lattice model. Detail of valuation of the share options granted during the year ended 31 December 2015 is set out in Note 29 to the consolidated financial statements.

The total number of shares to be issued upon exercise of all outstanding options granted under Scheme 2003 and the Scheme 2012 and yet to be exercised was 446,739,268, representing 7.73% of the issued share capital of the Company as at the date of this report.

Details of the share option scheme of the Company are set out below and in Note 29 to the consolidated financial statements.

				Number of shares			
Grantee	**Date of grant**	**Exercise price per shares** HKD	**As at 1.1.2015**	**Granted during the year**	**Exercised during the year** (Note 2)	**As at 31.12.2015**	**Exercise period**
Directors							
Siu Yun Fat	24.7.2014	0.1164	32,800,000	–	–	32,800,000	24.7.2014 – 23.7.2016
	27.7.2015	0.335	–	35,000,000	–	35,000,000	27.7.2015 – 26.7.2017
Yu Qingrui	24.7.2014	0.1164	32,800,000	–	–	32,800,000	24.7.2014 – 23.7.2016
	27.7.2015	0.335	–	35,000,000	–	35,000,000	27.7.2015 – 26.7.2017
Yang Yang	13.7.2015	0.27	–	35,000,000	–	35,000,000	13.7.2015 – 12.7.2017
Lau Fai Lawrence	4.9.2015	0.201	–	600,000	–	600,000	4.9.2015 – 3.9.2017
Employees of the Group							
In aggregate	24.7.2014	0.1164	32,800,000	–	(32,800,000)	–	24.7.2014 – 23.7.2016
In aggregate	27.7.2015	0.335	–	35,000,000	–	35,000,000	27.7.2015 – 26.7.2017
In aggregate	4.9.2015	0.201	–	1,400,000	–	1,400,000	4.9.2015 – 3.9.2017

Grantee	Date of grant	Exercise price per shares HKD	As at 1.1.2015	Number of shares Granted during the year	Exercised during the year (Note 2)	As at 31.12.2015	Exercise period
Consultants							
In aggregate	24.7.2014	0.1164	32,800,000	–	(32,800,000)	–	24.7.2014 – 23.7.2016
In aggregate	1.9.2014	0.1264	170,500,000	–	(170,500,000)	–	1.9.2014 – 31.8.2016
In aggregate	22.6.2015	0.319	–	26,800,000	–	26,800,000	22.6.2015 – 21.6.2017
In aggregate	27.7.2015	0.335	–	35,000,000	–	35,000,000	27.7.2015 – 26.7.2017
In aggregate	4.9.2015	0.201	–	175,000,000	–	175,000,000	4.9.2015 – 3.9.2017
			301,700,000	378,800,000	(236,100,000)	444,400,000	

Notes:

1. a. The closing price of the shares as stated in the Stock Exchange's daily quotations sheets immediately before 13 July 2015 is HKD0.215

   b. The closing price of the shares as stated in the Stock Exchange's daily quotations sheets immediately before 27 July 2015 is HKD0.35

   c. The closing price of the shares as stated in the Stock Exchange's daily quotations sheets immediately before 4 September 2015 is HKD0.188

2. The weighted average closing price of the shares immediately before the dates on which the options were exercised is HKD0.355

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 15 July 2015. The purposes and objectives of the Share Award Scheme are to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group. As at 31 December 2015, a sum of HKD17,228,000 has been used to acquire 56,560,000 shares of the Company from market by the independent trustee. No shares have been granted to the selected employees of the Group under the Share Award Scheme up to the date of this report.

Details of the Share Award Scheme are set out in the announcement of the Company dated 15 July 2015 and Note 30 to the consolidated financial statements.

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 2015, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Interest and short positions in shares and underlying shares of the Company:

Name of Shareholder	Capacity and nature of interest	Number of Shares	Approximate percentage of the Company's issued share capital
Chinese Top Holdings Limited *(Note 1)*	Beneficial owner	565,892,000 (L)	9.79%
Chen Yibao *(Note 1)*	Interest in controlled corporation	565,892,000 (L)	9.79%
Huang Zhiwen *(Note 1)*	Interest in controlled corporation	565,892,000 (L)	9.79%
Lin Guoyan *(Note 1)*	Interest in controlled corporation	565,892,000 (L)	9.79%
Huang Chuan	Beneficial owner	450,308,000 (L)	7.79%
Lin Guo Rong	Beneficial owner	437,900,000 (L)	7.58%

"L" stands for long position

Notes:

1. In accordance with the disclosure forms filed, Chinese Top Holdings Limited is controlled as to 20% by Chen Yibao, as to 40% by Hunag Zhiwen and as to 40% by Lin Guoyan respectively.

Save as disclosed above, the Company had not been notified of other relevant interests or short positions in the shares and underlying shares of the Company as at 31 December 2015 as required pursuant to section 336 of the SFO.

CONNECTED TRANSACTIONS

During the year, the Group had the following major and connected transaction.

On 3 November 2015, the Group entered into the Disposal Agreement with Mr. Chen Huaide, the former Chairman and a former executive director of the Company who resigned as Chairman and executive director of the Company with effect from 24 November 2015, pursuant to which the Group has agreed to sell 100% equity interest of wholly owned subsidiary Boway Enterprises at a consideration of HKD3,300,000. The disposal constituted a major transaction of the Company under Chapter 14 of the Listing Rules and a connected transaction of the Company under Chapter 14A of the Listing Rules. The disposal was approved at the extraordinary general meeting on 23 December 2015 and was completed on 31 December 2015. The gain on disposal was approximately HKD589,000. For detail, please refer to the Company's announcement dated 3 November 2015 and circular dated 8 December 2015.

Save as disclosed above, the Group has not entered into any other connected transaction or continuing connected transactions for the year ended 31 December 2015 which should be disclosed pursuant to the requirement of Chapter 14A to the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the usual course of business are set out in Note 37 to the consolidated financial statements. Other than the transaction disclosed in the section headed "Connected Transactions" above, none of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

EMOLUMENT POLICY

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits included provident fund scheme, share option scheme, Share Award Scheme as well as discretionary bonuses. The determination of emoluments of the Directors had taken into consideration of their respective experience, responsibilities in the Company and the prevailing market conditions.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2015.

ANNUAL COMFIRMATION OF INDEPENDENCE

The Company has received the annual confirmation of independence from each of the independence non-executive Directors as required under Rule 3.13 of the Listing Rules. The Company considered all independent non-executive Directors to be independent.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

In the opinion of the Directors, the Company has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the financial year except the deviation set out in the Corporate Governance Report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, damages and expenses which he/she may sustain or incur or about the execution and discharge of his duties or in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the Directors and officers of the Company during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued ordinary share capital was held by the public as at the date of this report.

EVENTS AFTER THE END OF REPORTING PERIOD

Save as disclosed in note 46, the Group had no other material events after the reporting period.

AUDITOR

The consolidated financial statements for the year ended 31 December 2015 were audited by ZHONGLEI (HK) CPA Company Limited ("**ZHONGLEI**") who are due to retire and, being eligible, will offer themselves for re-appointment as auditor of the Company at the forthcoming annual general meeting of the Company.

On behalf of the Board
Siu Yun Fat
Chairman

Hong Kong, 21 March 2016

CORPORATE GOVERNANCE

The Board is committed to maintain high standards of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to safeguard the interests of its shareholders and to enhance the performance of the Group.

The Company has complied with all code provisions of the Corporate Governance Code (the "**CG Code**") during the year ended 31 December 2015 as set out in Appendix 14 of the Listing Rules except for the following deviations:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer ("**CEO**") should be separate people and should not be performed by the same individual. Following the resignation of Mr. Chen Huaide, a former chairman of the Company, Mr. Siu Yun Fat has been appointed as the chairman of the Company with effect from 24 November 2015. The roles of the chairman and the chief executive officer of the Company are not separate and both are performed by Mr. Siu Yun Fat from 24 November 2015. The Board considers that this structure will not impair the balance of the power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the roles of chairman and chief executive officer. The Board believes that this structure is conducive to strong and consistent leadership which enables the Group to operate efficiently. The Board understands the importance of complying with the code provision A.2.1 of the Code and will continue to consider the feasibility of compliance. If compliance is determined, appropriate person will be nominated to take up the different roles of chairman and chief executive officer.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive directors are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in article 108A of the Company's articles of association which provides that at each annual general meeting one-third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. The reason for the deviation is that the Company does not believe that arbitrary limits on term of non-executive directorship are appropriate given that Directors ought to be committed to representing the long time interest of the Company's shareholders and the retirement and re-election requirements of independent non-executive directors have given the Company's shareholders the right to approve continuation of independent non-executive directors' offices.

Code Provision A.6.7 of the CG Code stipulates that non-executive directors, including independent non-executive directors, should attend general meetings. One of the independent non-executive directors, namely Tam Tak Wah was unable to attend the extraordinary general meeting of the Company held on 10 July 2015 (the "**July EGM**") and one of the independent non-executive directors, namely Chan Yee Por Simon, was unable to attend the extraordinary general meeting of the Company held on 23 November 2015 (the "**November EGM**") as they had other business engagements. However, they subsequently requested the company secretary of the Company to report to them on the views of the shareholders of the Company in the July EGM & November EGM respectively. As such, the Board considers that the development of a balanced understanding of the views of shareholders of the Company among the independent non-executive directors was ensured.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Group, overseeing the Group's businesses, strategic decisions and performance, evaluating the performance of the Group and supervising the management. In addition, the Board reserves the authority to make final decisions for all major matters of the Company, including internal control and risk management, dividend payout, material transaction, preparation and release of financial information, appointment of Directors, and other significant financial matters. The Board is also responsible for performing the corporate governance duties set out in code provision D.3.1 of the CG Code. In order to enhance efficiency, the Board has delegated the day-to-day responsibilities and operations to the executive Directors and senior management.

As at 31 December 2015, the Board comprised seven directors, four of which are Executive Directors, namely Mr. Lau Fai Lawrence, Mr. Siu Yun Fat, Mr. Yang Yang and Mr. Yu Qingrui and three are independent non-executive Directors, namely Mr. Chan Yee Por Simon, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules.

The Company considers all the independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules. Biographical details of the Directors are set out under the section headed "Biographical Details of Directors and Senior Management" on pages 16 to 17 of this annual report.

To the best knowledge of the Directors, the Board is not aware of any financial, business, family or other material/relevant relationships among members of the Board.

Directors are continually updated on the latest development and changes in the Listing Rules, the CG Code and other regulatory requirements in order to ensure the compliance with the same by the Directors. Directors are also encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills. All of the existing Directors namely Mr. Lau Fai Lawrance, Mr. Siu Yun Fat, Mr. Yang Yang, Mr. Yu Qingrui, Mr. Chan Yee Por Simon, Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah, had provided a record of training they received during the year to the Company. They participated in continuous professional development mainly by attending seminars or reading various materials regarding directors' responsibilities, updates on the Listing Rules and disclosure of inside information, etc.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Following the resignation of Mr. Chen Huaide, a former chairman of the Company, on 24 November 2015, Mr. Siu Yun Fat has appointed as the chairman of the Company with effective from 24 November 2015. From 24 November 2015, The role and the duties of chairman and CEO were performed by Mr. Siu Yun Fat.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors are not appointed for a specific term but shall retire from office by rotation at least once every three years as referred to in the Company's articles of association which provides that at each annual general meeting one third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the "**Board Diversity Policy**") on 1 September 2013 which sets out the approach to achieve diversity on the Board. A summary of this policy together with the measurable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed below.

Summary of the Board Diversity Policy

The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, age, experience, cultural and educational background, expertise, skills and know-how. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to age, experience, cultural and educational background, expertise, skills and know-how.

Monitoring and Reporting

The nomination committee of the Company (the "**Nomination Committee**") will review, as appropriate, to ensure the effectiveness of the Board Diversity Policy and monitor the implementation of this policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

A copy of the Board Diversity Policy has been published on the Stock Exchange's website for public information.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 1 November 2011 with specific written terms of reference as set out in the CG Code. Members of the Remuneration Committee of the Company during the year and up to the date of this report were:

Independent non-executive Directors

Mr. Chan Yee Por, Simon
Mr. Siu Siu Ling, Robert
Mr. Tam Tak Wah

The major roles and functions of the Remuneration Committee are as follows:

1. to make recommendations to the Board on the Company's policy and structure for all remuneration of the directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; and

2. to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

The Remuneration Committee discharged its duties by reviewing the remuneration packages of the Directors and senior management during 2015.

NOMINATION COMMITTEE

The Nomination Committee was established on 20 March 2012 with specific written terms of reference as set out in the CG Code. Members of the Nomination Committee of the Company during the year and up to the date of this report were:

Independent non-executive Directors

Mr. Chan Yee Por, Simon
Mr. Siu Siu Ling, Robert
Mr. Tam Tak Wah

The major roles and functions of the Nomination Committee are as follows:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

3. to assess the independence of independent non-executive directors; and

4. to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors.

During 2015, the Nomination Committee discharged its duties by reviewing the structure, size and composition of the Board, qualifications for all Directors and senior management of the Group and independence of the independent non-executive directors as well as nominating candidate to the Board.

AUDIT COMMITTEE

The Audit Committee was established on 1 November 2011. Two of the independent non-executive Directors possess appropriate professional qualifications, or accounting or related financial management expertise as required under the Listing Rules. Members of the Audit Committee of the Company during the year and up to the date of this report were:

Independent non-executive Directors

Mr. Chan Yee Por, Simon
Mr. Siu Siu Ling, Robert
Mr. Tam Tak Wah

The major roles and functions of the Audit Committee are:

1. to make recommendation to the Board on the appointment, re-appointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of auditor;

2. to discuss with the external auditor before the audit commences, the nature and scope of the audit;

3. to review the interim and annual financial statements before submission to the Board;

4. to discuss problems and reservations arising from the review of interim results and audit of final results, and any matters the external auditor may wish to discuss; and

5. to review the Group's financial and accounting policies and practices.

During 2015, the Audit Committee discharged its duties by reviewing the financial matters, financial statements and internal control as well as discussing with executive Directors and the auditor of the Company, and making recommendations to the Board.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code since their appointment as a Director during the year ended 31 December 2015.

AUDITOR'S REMUNERATION

An amount of approximately HKD520,000 and HKD560,000 in relation to the audit service and non-audit related services provided by the Company's auditor, ZHONGLEI, was charged to the Group's consolidated statement of profit and loss and other comprehensive income for the year ended 31 December 2015. The non-audit service mainly consists of interim review, audit fee for VSA and review the statement of indebtedness of the Company and its subsidiaries as at 31 October 2015 in connection with the proposed disposal of entire interest of Boway Enterprises and its subsidiary Guangzhou For You.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

Up to the date of this annual report, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE OF DIRECTORS AND COMMITTEE MEMBERS

The following table summaries the attendance of individual Director and committee member in 2015:

	Number of Board meetings attended/held	Number of Audit Committee's meetings attended/held	Number of Nomination Committee's meetings attended/held	Number of Remuneration Committee's meetings attended/held	Number of general meetings attended/held	Number of extraordinary general meetings attended/held
Mr. Chen Huaide	6/8	–	–	–	1/1	1/2
Mr. Lau Fai Lawrence	12/14	–	–	–	1/1	4/4
Mr. Siu Yun Fat	14/14	–	–	–	1/1	4/4
Mr. Yang Yang	8/8	–	–	–	1/1	2/4
Mr. Yu Qingrui	10/10	–	–	–	1/1	3/4
Mr. Chan Yee Por, Simon	8/8	3/3	1/1	1/1	1/1	3/4
Mr. Siu Siu Ling, Robert	8/8	3/3	1/1	1/1	1/1	4/4
Mr. Tam Tak Wah	8/8	3/3	1/1	1/1	1/1	3/4

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2015.

INTERNAL CONTROL

The Board recognises its responsibilities for maintaining an adequate system of internal control to safeguard the Group's assets and shareholders' interests. An internal control system, including a defined management structure with limits of authority, is designed to help achieving business objectives, safeguard assets against unauthorised use, maintain proper accounting records for the provision of reliable financial information for internal use and for publication. During the year, the Board has, through the Audit Committee, conducted annual review of the effectiveness of the internal control system of the Group. The internal control system is designed to provide reasonable, but not absolute, assurance of no material misstatement or loss and to manage rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

During the year ended 31 December 2015, the Company has engaged an external independent audit firm to perform a review of the procedures, systems and controls for the Group. Based on the opinion of the external independent audit firm, the Board consider that the Group has adequate internal control systems to comply with the Listing Rules and other relevant rules and regulations and there is no major internal control deficiency of the Group that has given rise to material changes to the Group's operation after completion of the internal control review.

SHAREHOLDERS' RIGHTS

One or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings can convene an extraordinary general meeting pursuant to Article 64 of the Company's Articles of Association. For proposing resolution at the general meeting, Shareholders should submit it in writing to the Directors or the Company Secretary with details. The Board welcomes views and questions from the Shareholders who may at any time send their enquiries and concerns to the Board by addressing them to Company Secretary by post to Unit 912, 9th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong or by fax number: (852) 2311-7738. In addition, the Group maintains its own website at which the Shareholders can access to for the Company's information and communication with the Company.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public.

The Company updates its shareholders on its latest business developments and financial performance through its annual and interim reports, announcements and circulars. The corporate website of the Company (www.centralwealth.com.hk) has provided an effective communication platform to the public and the shareholders.

CONSTITUTIONAL DOCUMENTS OF THE COMPANY

During the year, the Company has not made any changes to the Company's Memorandum and Articles of Association. An updated version of the Company's Memorandum and Articles of Association is available on the website of the Company and the Stock Exchange.

中磊（香港）會計師事務所有限公司
ZHONGLEI (HK) CPA Company Limited

TO THE SHAREHOLDERS OF CENTRAL WEALTH FINANCIAL GROUP LIMITED
中達金融集團有限公司
(FORMERLY KNOWN AS CHINA FOR YOU GROUP COMPANY LIMITED
前稱中國富佑集團有限公司）
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Central Wealth Financial Group Limited (formerly known as China For You Group Company Limited) (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 36 to 117, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company (the "**Directors**") are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except as described in the Basis for Disclaimer of Opinion paragraphs, we conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. However, because of the matters described in the Basis for Disclaimer of Opinion paragraphs, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2014 (the "**2014 Financial Statements**"), which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was qualified because of the significance of the possible effect of the limitations on the scope of our audit, details of which are set out in our audit report dated 31 March 2015. Any adjustments found to be necessary to the opening balances as at 1 January 2015 may affect the results and related disclosures in the notes to the consolidated financial statements of the Group for the year ended 31 December 2015. The comparative figures for the year ended 31 December 2014 shown in these consolidated financial statements may not be comparable with the figures for the current year.

Impairment of other receivables

As disclosed in Note 22(ii) to the consolidated financial statements, the Directors are of the view that the Group is less likely to recover the outstanding balance due from Ease Faith Limited amounted to approximately HKD17,616,000 and therefore, full impairment had been provided on such balance for the year ended 31 December 2015. However, we have been unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the accuracy of such other receivable as at 31 December 2013 and 2014. Any adjustments to the above impairment found to be necessary would affect the Group's loss for the year then ended and related note disclosures to the consolidated financial statements.

Balance of the amount due to Able Success Asia Limited ("Able Success")

At 31 December 2015, included in other payable is a balance of approximately HKD15,264,000 being amount due to the former holding company, Able Success, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. He Jianhong ("**Mr. He**"). Mr. He's position as the chairman and executive director of the Company was suspended with effect from 27 January 2014 and was removed with effect from 10 October 2014. We were unable to obtain direct confirmation from Able Success and other supporting evidence to satisfy ourselves as to whether the balance are free from material misstatement. There were no other alternative audit procedures that we could carry out to obtain sufficient and appropriate audit evidence to verify the accuracy and completeness of this balance as at 31 December 2015. Accordingly, we were unable to satisfy ourselves as to whether the amount due to Able Success were fairly stated.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion on the consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

ZHONGLEI (HK) CPA Company Limited
Certified Public Accountants (Practising)
Lam Chik Tong
Practising Certificate Number: P05612

Suites 313-316, 3/F., Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

21 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	Notes	**2015** **HKD'000**	2014 HKD'000
Continuing operations			
Turnover – gross proceeds	6	**220,485**	124,956
Revenue	7	**41,178**	68,821
Cost of sales		**(28,031)**	(45,012)
Gross profit		**13,147**	23,809
Other revenue	8	**220**	13
Selling and distribution expenses		**(1,398)**	(520)
Administrative expenses		**(17,669)**	(17,155)
Impairment loss recognised in respect of receivables from Ease Faith Limited	22	**(17,616)**	–
Change in fair value of held-for-trading investments		**(9,037)**	–
Change in fair value of investment property	17	**6,207**	–
Change in fair value of derivative financial instrument	19	**5,292**	–
Gain on disposal of subsidiaries	31	**1,335**	–
Gain on deregistration of a subsidiary	32	**149**	–
Share of loss of associates	18	**(240)**	–
Share-based payment expenses	29	**(27,163)**	(4,861)
Operating (loss) profit		**(46,773)**	1,286
Finance costs	9	**(501)**	(77)
(Loss) profit before income tax		**(47,274)**	1,209
Income tax expense	10	**(350)**	(1,560)
Loss for the year from continuing operations	11	**(47,624)**	(351)
Discontinued operations			
Gain on waiver of the amount due to a deconsolidated subsidiary	26	**–**	3,066
Profit for the year from discontinued operations		**–**	3,066
(Loss) profit for the year		**(47,624)**	2,715
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(161)**	(60)
Release of translation reserve upon deregistration of a subsidiary	32	**(3)**	–
Release of translation reserve upon disposal of subsidiaries	31	**222**	–
Other comprehensive income (expense) for the year, net of income tax		**58**	(60)
Total comprehensive (expense) income for the year		**(47,566)**	2,655

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	Notes	**2015 HKD'000**	2014 HKD'000
(Loss) profit for the year attributable to owners of the Company			
– from continuing operations		**(47,620)**	(351)
– from discontinued operations		**–**	3,066
		(47,620)	2,715
Loss for the year attributable to non-controlling interest			
– from continuing operations		**(4)**	–
		(47,624)	2,715
Total comprehensive (expense) income attributable to:			
Owners of the Company		**(47,562)**	2,655
Non-controlling interest		**(4)**	–
		(47,566)	2,655
(Loss) earnings per share attributable to owners of the Company	15		
From continuing and discontinued operations			
– Basic		**(HK1.22 cents)**	HK0.10 cents
– Diluted		**N/A**	HK0.10 cents
From continuing operations			
– Basic		**(HK1.22 cents)**	(HK0.01 cents)
– Diluted		**N/A**	N/A

Consolidated Statement of Financial Position

At 31 December 2015

	Notes	2015 HKD'000	2014 HKD'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	**2,001**	579
Investment property	17	**403,000**	–
Interests in associates	18	**3,160**	–
		408,161	579
CURRENT ASSETS			
Inventories	20	**–**	313
Held-for-trading investments	21	**6,732**	–
Trade and other receivables	22	**28,683**	40,826
Loan and interest receivables	22	**12,020**	–
Loan receivable from an associate	18	**80,000**	–
Derivative financial instrument	19	**5,292**	–
Cash and bank balances	23	**98,114**	45,082
		230,841	86,221
CURRENT LIABILITIES			
Trade and other payables	24	**20,840**	21,237
Amount due to a former director	25	**–**	104
Bank borrowings	27	**187,180**	–
Tax liabilities		**1,767**	1,560
		209,787	22,901
NET CURRENT ASSETS		**21,054**	63,320
NET ASSETS		**429,215**	63,899
CAPITAL AND RESERVES			
Share capital	28	**5,778**	3,285
Reserves		**423,441**	60,614
Equity attributable to owners of the Company		**429,219**	63,899
Non-controlling interest		**(4)**	–
TOTAL EQUITY		**429,215**	63,899

The consolidated financial statements on the pages from 36 to 117 were approved and authorised for issue by the board of directors on 21 March 2016 and are signed on its behalf by:

Siu Yun Fat
Director

Lau Fai Lawrence
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Attributable to owners of the Company								
	Share capital HKD'000 *(Note 28)*	**Share premium** HKD'000 *(Note a)*	**Share options reserve** HKD'000 *(Note 29)*	**Translation reserve** HKD'000	**Shares held under share award scheme** HKD'000 *(Note b)*	**Accumulated losses** HKD'000	**Total** HKD'000	**Non-controlling interest** HKD'000	**Total** HKD'000
At 1 January 2014	2,021	113,327	1,121	–	–	(119,185)	(2,716)	–	(2,716)
Profit for the year	–	–	–	–	–	2,715	2,715	–	2,715
Other comprehensive expense, net of income tax									
Items that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	(60)	–	–	(60)	–	(60)
Total comprehensive income (expense) for the year	–	–	–	(60)	–	2,715	2,655	–	2,655
Issuance of shares upon placing, net of transaction costs	169	17,311	–	–	–	–	17,480	–	17,480
Issuance of shares upon open offer, net of transaction costs	1,095	40,524	–	–	–	–	41,619	–	41,619
Recognition of equity-settled share-based payments	–	–	4,861	–	–	–	4,861	–	4,861
At 31 December 2014	3,285	171,162	5,982	(60)	–	(116,470)	63,899	–	63,899
Loss for the year	–	–	–	–	–	(47,620)	(47,620)	(4)	(47,624)
Other comprehensive (expense) income, net of income tax									
Items that may be reclassified subsequently to profit or loss:									
Exchange differences arising on translation of financial statements of foreign operations	–	–	–	(161)	–	–	(161)	–	(161)
Release of translation reserve upon deregistration of a subsidiary *(Note 32)*	–	–	–	(3)	–	–	(3)	–	(3)
Release of translation reserve upon disposal of subsidiaries *(Note 31)*	–	–	–	222	–	–	222	–	222
Other comprehensive income for the year, net of income tax	–	–	–	58	–	–	58	–	58
Total comprehensive income (expense) for the year	–	–	–	58	–	(47,620)	(47,562)	(4)	(47,566)
Exercise of share options	237	32,715	(3,764)	–	–	–	29,188	–	29,188
Issuance of shares upon placing, net of transaction costs	2,256	371,503	–	–	–	–	373,759	–	373,759
Shares purchased under the share award scheme *(Note 30)*	–	–	–	–	(17,228)	–	(17,228)	–	(17,228)
Recognition of equity-settled share-based payments	–	–	27,163	–	–	–	27,163	–	27,163
At 31 December 2015	**5,778**	**575,380**	**29,381**	**(2)**	**(17,228)**	**(164,090)**	**429,219**	**(4)**	**429,215**

Notes:

a) Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Associations and provided that immediately following the distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.

b) The amount represents the consideration paid for shares held under the share award scheme.

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	2015 HKD'000	2014 HKD'000
OPERATING ACTIVITIES		
(Loss) profit before income tax from continuing operations	**(47,274)**	1,209
Profit before income tax from discontinued operations	**–**	3,066
(Loss) profit before income tax	**(47,274)**	4,275
Adjustments for:		
Finance costs	**501**	77
Interest income	**(61)**	(11)
Depreciation of property, plant and equipment	**289**	184
Amortisation of intangible asset	**5**	–
Impairment loss recognised in respect of receivables from Ease Faith Limited	**17,616**	–
Change in fair value of held-for-trading investments	**9,037**	–
Change in fair value of investment property	**(6,207)**	–
Gain on disposal of subsidiaries	**(1,335)**	–
Gain on deregistration of a subsidiary	**(149)**	–
Change in fair value of derivative financial instrument	**(5,292)**	–
Share of loss of associates	**240**	–
Share-based payments expenses	**27,163**	4,861
Gain on waiver of the amount due to a deconsolidated subsidiary	**–**	(3,066)
Operating cash flows before movements in working capital	**(5,467)**	6,320
Increase in inventories	**(529)**	(313)
Increase in trade and other receivables	**(7,820)**	(22,370)
Increase in loan and interest receivables	**(12,020)**	–
Increase in held-for-trading investments	**(15,769)**	–
Increase in trade and other payables	**571**	2,256
Increase in amount due to a former director	**91**	104
CASH USED IN OPERATIONS	**(40,943)**	(14,003)
Profit tax paid	**(143)**	–
Interest paid	**(18)**	–
NET CASH USED IN OPERATING ACTIVITIES	**(41,104)**	(14,003)
INVESTING ACTIVITIES		
Interest received	**61**	11
Purchase of property, plant and equipment	**(927)**	–
Purchase of intangible assets	**(46)**	–
Net cash outflow arising on acquisition of assets through acquisition of a subsidiary	**(109,249)**	–
Repayment of promissory notes arising on acquisition of assets through acquisition of a subsidiary	**(100,000)**	–
Net cash inflow arising on disposal of subsidiaries	**3,396**	–
Net cash outflow arising on deregistration of a subsidiary	**(3)**	–
Net cash inflow from acquisition of a subsidiary	**–**	3
Investment cost in associates	**(3,150)**	–
Loan to an associate	**(80,000)**	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	**(289,918)**	14

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	2015 HKD'000	2014 HKD'000
FINANCING ACTIVITIES		
Interest paid	**(483)**	(77)
Repayment of bank borrowings	**(1,021)**	–
Proceeds from exercise of share options	**29,188**	–
Shares purchased under share award scheme	**(17,228)**	–
Loan from an independent third party	**–**	7,680
Loan repayment to an independent third party	**–**	(7,680)
Proceeds from issuance of shares upon placing, net of transaction costs	**373,759**	17,480
Proceeds from issuance of shares upon open offer, net of transaction costs	**–**	41,619
NET CASH FROM FINANCING ACTIVITIES	**384,215**	59,022
NET INCREASE IN CASH AND CASH EQUIVALENTS	**53,193**	45,033
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**45,082**	109
Effect of foreign exchange rates changes, net	**(161)**	(60)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**98,114**	45,082

1. GENERAL

Central Wealth Financial Group Limited (formerly known as China For You Group Company Limited) (the "**Company**") was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is Unit 912, 9th Floor, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Pursuant to the special resolution passed at the extraordinary general meeting of the Company on 15 January 2016, the Company's name has been changed from "China For You Group Company Limited 中國富佑集團有限公司" to "Central Wealth Financial Group Limited 中達金融集團有限公司".

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are principally engaged in the trading business and related services, securities trading and investment, provision of financing services and property investment. On 31 December 2014, the board of directors of the Company ("**Board**") resolved to discontinue the operating segment of manufacture and sale of tinplate cans for the packaging of beverage in the People's Republic of China (the "**PRC**"), due to the reallocation and concentration of resources to other business sectors.

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

2. BASIS OF PREPARATION OF THE CONSOLIDATION FINANCIAL STATEMENTS

Deconsolidation of two subsidiaries of the Company

Following the Board has suspended Mr. He Jianhong ("**Mr. He**") from his position as the chairman and executive director of the Company with effect from 27 January 2014 due to continued absence without cause, despite repeated verbal and written requests, the Board has been unable to contact the legal representative, directors and management of its indirect wholly owned subsidiary, Shanxi Zhanpen Metal Products Co., Limited*（山西展鵬金屬製品有限公司）("**Zhanpen**"), the principal and operating subsidiary of the Company, and obtain and access to the books and records of Zhanpen and Bloxworth Enterprises Limited ("**Bloxworth**"), being an immediate holding company of Zhanpen and a direct wholly owned subsidiary of the Company (Zhanpen and Bloxworth are collectively referred to as the "**Deconsolidated Subsidiaries**").

Due to the non-cooperation of the directors and management of the Deconsolidated Subsidiaries and the continued absence of Mr. He from the Company, the Board has been unable to access to the books and records of the Deconsolidated Subsidiaries despite the fact that the Board has taken all reasonable steps and has used its best endeavors to resolve the matter. Accordingly, on 25 March 2014, the Board resolved that the Group no longer had the power to govern the financial and operating policies of the Deconsolidated Subsidiaries, and the control over the Deconsolidated Subsidiaries was lost on that date.

Given these circumstances, the directors of the Company (the "**Directors**") have not consolidated the financial statements of the Deconsolidated Subsidiaries in the consolidated financial statements of the Group since 1 January 2013. As such, the Directors have not consolidated the financial statements of the Deconsolidated Subsidiaries for the period from 1 January 2014 to 24 March 2014 in the consolidated financial statements of the Group for the year ended 31 December 2014 and the results of the Deconsolidated Subsidiaries for the period from 1 January 2014 to 24 March 2014 have not been included into the consolidated financial statements of the Group.

In the opinion of the Directors, the consolidated financial statements of the Group for the year ended 31 December 2014 are prepared on the aforementioned basis present more fairly the results and state of affairs of the Group as a whole in light of the aforesaid incomplete books and records of the Deconsolidated Subsidiaries.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG ACCOUNTING STANDARDS ("HKASs")

Application of new and revised HKFRSs and HKASs

The Group has applied the following amendments to HKFRSs and HKASs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

Amendments to HKAS 19	Defined Benefits Plans: Employee Contributions
Annual Improvements Project	Annual Improvements to HKFRSs 2010-2012 Cycle
Annual Improvements Project	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the amendments to HKFRSs and HKASs 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 and HKASs in issued but not yet effective

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

HKFRS 9	*Financial Instruments*[2]
HKFRS 14	*Regulatory Deferral Accounts*[1]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
Amendments to HKAS 1	*Disclosure Initiative*[1]
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]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	*Investment Entities: Applying the Consolidation Exception*[1]
Annual Improvements Project	*Annual Improvements to HKFRSs 2012-2014 Cycle*[1]

1 *Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.*
2 *Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.*

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG ACCOUNTING STANDARDS ("HKASs") *(Continued)*

HKFRS 9 *Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 are subsequently amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 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.

Key requirements of HKFRS 9:

– All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

– With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless that recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

– 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 new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG ACCOUNTING STANDARDS ("HKASS") *(Continued)*

HKFRS 9 *Financial Instruments (Continued)*

The Directors anticipate that the application of HKFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. Regarding the Group's financial assets and financial liabilities, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 was issued which 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 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, the standard 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 anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG ACCOUNTING STANDARDS ("HKASs") *(Continued)*

Amendments to HKAS 1 *Disclosure Initiative*

The amendments to HKAS 1 *Presentation of Financial Statements* give some guidance on how to apply the concept of materiality in practice.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 January 2016. The Directors do not anticipate that the application of these amendments to HKAS 1 will have a material impact on the amounts recognised in the Group's consolidated financial statements.

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

The amendments to HKAS 16 *Property, Plant and Equipment* prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 *Intangible Assets* introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment and intangible asset. The Directors believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors anticipate that the application of these amendments to HKAS 16 and HKAS 38 will not have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 *Equity Method in Separate Financial Statements*

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost;
- In accordance with HKFRS 9 *Financial Instruments* (or HKAS 39 *Financial Instruments: Recognition and Measurement for entities* that have not yet adopted HKFRS 9), or
- Using the equity method as described in HKAS 28 *Investment in Associates and Joint Ventures*.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG ACCOUNTING STANDARDS ("HKASs") *(Continued)*

Amendments to HKAS 27 *Equity Method in Separate Financial Statements (Continued)*

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 *Consolidated Financial Statements* and to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*.

The Directors do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

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

The amendments to HKFRS 10 *Consolidated Financial Statements* and HKAS 28 *Investments in Associates and Joint Ventures* deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after 1 January 2016. The Directors do not anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have a material impact on the Group's consolidated financial statements in future periods should such transactions arise.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND HONG KONG ACCOUNTING STANDARDS ("HKASs") *(Continued)*

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

The amendments to HKFRS 10 *Consolidated Financial Statements*, HKFRS 12 *Disclosure of Interests in Other Entities* and HKAS 28 *Investments in Associates and Joint Ventures* clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary, whose main purpose is to provide services and activities that are related to the investment activities of the investment entity parent, applies only to subsidiaries that are not investment entities themselves.

The Directors do not anticipate that the application of these amendments to HKFRS 10, HKFRS 12 and HKAS 28 will have a material impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any subsidiary, associate or joint venture that qualifies as an investment entity.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or a disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high qualify corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The Directors do not anticipate that the application of these amendments will have a material effect on the amounts recognsied in the Group's consolidated financial statements.

Except for the above impact, the Directors do not anticipate that the application of the new and revised HKFRSs will have significant impact on the Group's consolidated financial statements.

4. 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 Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and by the Hong Kong Companies Ordinance (the "**CO**").

The provisions of the new Hong Kong Companies Ordinance (Cap 622) regarding preparation of accounts and directors' reports and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the 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 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended 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 investment property and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 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 in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 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.

The principal accounting policies are set out below.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another HKFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, with the corresponding gain or loss being recognised in profit or loss.

Investments in subsidiaries

In the Company's statement of financial position, the investments in subsidiaries are stated at cost less accumulated impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, from part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates *(Continued)*

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Sales of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment property

Investment property is property held to earn rentals and/or for capital appreciation.

Investment property is initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at its fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment property and is measured using the fair value model. Gains or losses arising from changes in the fair value of investment property is included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Intangible asset

Intangible asset acquired separately

Intangible asset with indefinite useful lives that is acquired separately is carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

An intangible asset is derecognise on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss in the period when the asset is derecognised.

Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("**FVTPL**") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial assets is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is a part of portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Financial assets at FVTPL *(Continued)*

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising from remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the "change in fair value of held-for-trading investments" or "change in fair value of derivative financial instrument" line item. Fair value is determined in the manner described in Notes 19 and 43 to the consolidated financial statements.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, loan and interest receivables, loan receivable from an associate and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Derivative financial instrument

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Impairment on financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade and other receivables and loan and interest receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, loan and interest receivables and loan receivable from an associate, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade and other receivable or loan and interest receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and other payables, amount due to a former director and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition (Continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Cash and bank balances in the consolidated statement of financial position comprise cash at banks and on hand.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "(loss) profit before income tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment property that is measured using the fair value model, the carrying amounts of such property is presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HKD) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Provisions

Provisions are recognised when the Group has a present obligation (legal or construction) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Retirement benefits costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period that related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 29 to the consolidated financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When the share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment arrangements *(Continued)*

Equity-settled share-based payment transactions (Continued)

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair values of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

Shares held under share award scheme

The shares awarded under the share award scheme are acquired from open market. The net consideration paid, including any directly attributable incremental costs, is presented as “Shares held under share award scheme” and deducted from equity.

For the shares granted under the share award scheme, the fair value of shares granted to employees is recognised as share-based payment expenses with a corresponding increase in capital reserve within equity. The fair value is based on the closing price of the Company’s shares on grant date plus any directly attributable incremental costs. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the shares, the total fair value of the shares is spread over the vesting period, taking into account the probability that the shares will vest.

During the vesting period, the number of shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of shares that vest with corresponding adjustment to the capital reserve.

When the awarded shares are transferred to the awardees upon vesting, the related weighted average acquisition cost of the awarded shares vested are credited to the “Shares held under share award scheme”, and the grant date fair value of the awarded shares vested are debited to the capital reserve. The difference between the related weighted average acquisition cost and the grant date fair value of the awarded shares vested is transferred to retained profits directly.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimates (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property that is measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment property is not held under a business model whose objective is to consume substantially all of economic benefits embodied in the investment property over time. Therefore, in determining the Group's deferred taxation on investment property, the Directors have determined that the presumption that the carrying amounts of investment property measured using the fair value model is recovered entirely through sale is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of investment property as the Group is not subject to any income taxes on the fair value changes of the investment property on disposal.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) *Estimated impairment of trade and other receivables*

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise. An impairment loss of approximately HKD17,616,000 (2014: Nil) has been recognised during the year ended 31 December 2015. The movement of allowance for doubtful debts for trade and other receivable is set out in Note 22 to the consolidated financial statements.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(ii) Estimated useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets. The management of the Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation to be recorded during each reporting period. The useful lives are based on the Group's historical experience with similar assets. The depreciation for future periods is adjusted if there are material changes from previous estimates.

(iii) Consequence for alleged guarantee

The determination of the consequence for alleged guarantee involves management's estimation. The Group assesses the probability and magnitude of the outflow of resources embodying economic benefits will be required to settle the obligations and if the actual result differs from the original estimate, such a difference may impact the carrying amount of the liabilities as at 31 December 2015. Detail of the alleged guarantee are disclosed in Note 36(a) to the consolidated financial statements.

(iv) Estimated impairment of loan and interest receivables

In determining collective impairment allowances, management uses estimates based on historical experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experiences.

As at 31 December 2015, the carrying amount of loan and interest receivables were approximately HKD12,020,000 (2014: Nil).

(v) Fair value of investment property

At the end of the reporting period, investment property is stated at fair value based on the valuation performed by independent professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions. In relying on the valuation report, the Directors have exercised their judgement and are satisfied that the assumptions used in valuation have reflected the current market conditions. Changes to these assumptions would result in change in the fair value of the Group's investment property being recognised in profit or loss. The carrying amount of investment property measured at fair value at 31 December 2015 was approximately HKD403,000,000 (2014: Nil).

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(vi) Fair value of derivative financial instrument

As described in Note 19 to the consolidated financial statements, the Directors use their judgement in selecting an appropriate valuation technique which is commonly used by market participants for fair value measurement. The Group engages independent professional valuers to perform the valuation. The Group works closely with the independent professional valuers to establish the appropriate valuation techniques and inputs to the model. In estimating the fair value of an asset, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of derivative financial instrument. The carrying amount of derivative financial assets measured at fair value at 31 December 2015 was approximately HKD5,292,000 (2014: Nil).

6. TURNOVER

Turnover represents the gross proceeds received and receivable from i) trading business and related services; ii) securities trading and investment; iii) provision of financing services; and iv) property investment during the year. An analysis of the Group's turnover for the year from continuing operations is as follows:

	2015	2014
	HKD'000	HKD'000
Income from trading business and related services	**34,750**	68,495
Gross proceeds from disposal of held-for-trading investments	**183,640**	56,461
Dividend income from held-for-trading investments	**471**	–
Interest income from provision of financing services	**1,174**	–
Rental income from property investment	**450**	–
	220,485	124,956

7. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. No operating segments identified by the chief operating decision makers have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 December 2015, "Provision of financing services" and "Property investment" became new operating activities of the Group and they are separately assessed by the chief operating decision makers. Therefore, they are reported as new reportable and operating segments.

7. SEGMENT INFORMATION *(Continued)*

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

– Trading business and related services

– Securities trading and investment

– Provision of financing services

– Property investment

As detailed in Note 1 to the consolidated financial statements, on 31 December 2014, the Board resolved to discontinue the operating segment of manufacture and sale of tinplate cans packaging business due to the reallocation and concentration of resources to other business sectors. The segment information reported does not include any amounts for this discontinued operations.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment:

Continuing operations

	Trading business and related services		Securities trading and investment		Provision of financing services		Property investment		Total	
	2015 HKD'000	2014 HKD'000	**2015 HKD'000**	2014 HKD'000	**2015 HKD'000**	2014 HKD'000	**2015 HKD'000**	2014 HKD'000	**2015 HKD'000**	2014 HKD'000
Turnover	**34,750**	68,495	**184,111**	56,461	**1,174**	N/A	**450**	N/A	**220,485**	124,956
Revenue – External sales	**34,750**	68,495	**4,804**	326	**1,174**	N/A	**450**	N/A	**41,178**	68,821
Segment result	**(18,263)**	16,932	**(5,600)**	190	**1,103**	N/A	**6,194**	N/A	**(16,566)**	17,122
Unallocated corporate income									**220**	13
Unallocated corporate expenses									**(9,463)**	(10,988)
Change in fair value of derivative financial instrument									**5,292**	–
Gain on disposal of subsidiaries									**746**	–
Share of loss of associates									**(240)**	–
Share-based payment expenses									**(27,163)**	(4,861)
Finance costs									**(100)**	(77)
(Loss) profit before income tax (continuing operations)									**(47,274)**	1,209

7. SEGMENT INFORMATION *(Continued)*

Segment revenues and results *(Continued)*

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss) profit represents the (loss from)/profit earned by each segment without allocation of certain administration costs, directors' emoluments, other revenue, certain gain on disposal of subsidiaries, share-based payment expenses, change in fair value of derivative financial instrument, share of loss of associates and certain finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	2015 **HKD'000**	2014 HKD'000
Segment assets		
Trading business and related services	**28,527**	74,058
Securities trading and investment	**8,047**	2,316
Provision of financing services	**16,406**	–
Property investment	**404,976**	–
Total segment assets	**457,956**	76,374
Unallocated corporate assets	**181,046**	10,426
Consolidated assets	**639,002**	86,800
Segment liabilities		
Trading business and related services	**6,077**	7,017
Securities trading and investment	**80**	62
Provision of financing services	**230**	–
Property investment	**188,130**	–
Total segment liabilities	**194,517**	7,079
Unallocated corporate liabilities	**15,270**	15,822
Consolidated liabilities	**209,787**	22,901

7. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other that interests in associates, derivative financial instrument, loan receivable from an associate, certain other receivables and certain cash and bank balances; and

- all liabilities are allocated to operating segments other than certain other payables.

Other segment information

	Trading business and related services		Securities trading and investment		Provision of financing services		Property investment		Unallocated		Total	
	2015 HKD'000	2014 HKD'000	**2015 HKD'000**	2014 HKD'000	**2015 HKD'000**	2014 HKD'000	**2015 HKD'000**	2014 HKD'000	**2015 HKD'000**	2014 HKD'000	**2015 HKD'000**	2014 HKD'000
Amounts included in the measure of segment profit or loss or segment assets:												
Addition to property, plant and equipment	**7**	–	**800**	–	**-**	N/A	**-**	N/A	**120**	–	**927**	–
Addition to intangible asset	**46**	–	**-**	–	**-**	N/A	**-**	N/A	**-**	–	**46**	–
Acquisition of investment property through acquisition of a subsidiary	**-**	–	**-**	–	**-**	N/A	**396,793**	N/A	**-**	–	**396,793**	–
Acquisition of property, plant and equipment through acquisition of a subsidiary	**-**	–	**-**	–	**-**	N/A	**2,226**	N/A	**-**	–	**2,226**	–
Disposal of property, plant and equipment through disposal of subsidiaries	**-**	–	**-**	–	**-**	N/A	**-**	N/A	**(120)**	–	**(120)**	–
Depreciation of property, plant and equipment	**185**	184	**67**	–	**-**	N/A	**37**	N/A	**-**	–	**289**	184
Impairment loss recognised in respect of receivables from Ease Faith limited	**17,616**	–	**-**	–	**-**	N/A	**-**	N/A	**-**	–	**17,616**	–
Change in fair value of held-for-trading investments	**-**	–	**9,037**	–	**-**	N/A	**-**	N/A	**-**	–	**9,037**	–
Change in fair value of investment property	**-**	–	**-**	–	**-**	N/A	**(6,207)**	N/A	**-**	–	**(6,207)**	–
Finance costs	**-**	–	**15**	10	**-**	N/A	**401**	N/A	**85**	67	**501**	77
Gain on disposal of subsidiaries	**(589)**	–	**-**	–	**-**	N/A	**-**	N/A	**(746)**	–	**(1,335)**	–
Gain on deregistration of a subsidiary	**(149)**	–	**-**	–	**-**	N/A	**-**	N/A	**-**	–	**(149)**	–
Income tax expense	**170**	1,530	**-**	30	**180**	N/A	**-**	N/A	**-**	–	**350**	1,560
Amounts regularly provided to the chief operating decision makers but not included in the measure of segment profit or loss or segment assets:												
Interest income	**(12)**	(1)	**(1)**	(8)	**(3)**	N/A	**(1)**	N/A	**(44)**	(2)	**(61)**	(11)
Share of loss of associates	**-**	–	**-**	–	**-**	N/A	**-**	N/A	**240**	–	**240**	–
Change in fair value of derivative financial instrument	**-**	–	**-**	–	**-**	N/A	**-**	N/A	**(5,292)**	–	**(5,292)**	–

7. SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's operations are located in Hong Kong and PRC for the years ended 31 December 2015 and 2014. Information about the Group's revenue from external customers is presented based on the location of customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2015	2014	**2015**	2014
	HKD'000	HKD'000	**HKD'000**	HKD'000
Hong Kong	**35,912**	42,841	**408,161**	579
PRC	**5,266**	25,980	**–**	–
	41,178	68,821	**408,161**	579

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

Customer	**2015**	2014
	HKD'000	HKD'000
A[1]	**–**	26,400
B[1]	**–**	24,570
C[1]	**17,620**	8,638
D[1]	**11,864**	–

[1] Revenue from trading business and related services

8. OTHER REVENUE

	2015	2014
	HKD'000	HKD'000
Continuing operations		
Interest income on bank deposits	**26**	4
Interest income on time deposit	**35**	7
Net foreign exchange gains	**156**	–
Sundry income	**3**	2
	220	13

9. FINANCE COSTS

	2015 **HKD'000**	2014 HKD'000
Continuing operations		
Interest expenses on:		
Other borrowing	**–**	67
Bank borrowings	**401**	–
Promissory notes	**82**	–
Others	**18**	10
	501	77

10. INCOME TAX EXPENSE

	2015 **HKD'000**	2014 HKD'000
Continuing operations		
Current tax:		
– Hong Kong Profits Tax	**340**	1,427
– PRC Enterprise Income Tax	**10**	133
	350	1,560

Notes:

1) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

2) Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the year ended 31 December 2014.

3) On 13 March 2015, the Ministry of Finance ("**MOF**") and the State Administration of Taxation ("**SAT**") issued "Preferential Income Tax Policies for Small and Low-Profit Enterprises" (Caishui 2015 No. 34), which is in effective from 1 January 2015 to 31 December 2017. Based on the announcement, small and low-profit PRC enterprises whose annual taxable income not exceeding RMB200,000, shall be subject to income tax at the rate of 20% on 50% of the taxable profit.

4) At the end of the reporting period, the Group had unused tax losses of approximately HKD14,938,000 (2014: HKD4,008,000) available to offset against future profits. No deferred tax asset has been recognised due to unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

10. INCOME TAX EXPENSE *(Continued)*

The income tax expense for the year can be reconciled to the (loss) profit before income tax from continuing operations per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015 HKD'000	2014 HKD'000
(Loss) profit before income tax	**(47,274)**	1,209
Tax at domestic income tax rate of 16.5% (2014: 16.5%)	**(7,800)**	199
Tax effect of expenses not deductible for tax purpose	**8,267**	2,136
Tax effect of income not taxable for tax purpose	**(1,924)**	(1)
Tax effect of tax losses not recognised	**1,804**	–
Utilisation of tax losses previously not recognised	**–**	(816)
Effect of different tax rates of subsidiaries in other jurisdictions	**119**	43
Tax effect of temporary differences not recognised	**(116)**	(1)
Income tax expense for the year	**350**	1,560

11. LOSS FOR THE YEAR

Loss for the year from continuing operations has been arrived at after charging:

	2015 HKD'000	2014 HKD'000
Directors' and chief executive's emoluments *(Note 12)*	**12,455**	3,481
Other staff costs	**3,701**	1,695
Contributions to retirement benefits scheme	**463**	48
Share-based payment expenses for employees	**3,014**	548
Total staff costs	**19,633**	5,772
Auditor's remuneration:		
– Audit services	**520**	500
– Other services	**560**	448
Cost of inventories recognised as an expense	**27,187**	45,012
Depreciation of property, plant and equipment	**289**	184
Amortisation of intangible assets	**5**	–
Minimum lease payments in respect of operating lease of:		
– Internet hardware and software	**544**	66
– Premises	**1,729**	1,015
Share-based payment expenses for consultants	**14,893**	3,764

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of eight (2014: ten) Directors and the chief executive were as follow:

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and CO, is as follow:

2015

	Fees HKD'000	Salaries, bonuses and other benefits in kind HKD'000	Contributions to retirement benefits scheme HKD'000	Share-based payment expenses HKD'000	Total HKD'000
Executive directors					
Mr. Siu Yun Fat *(Chief executive officer and chairman) (Note b)*	–	949	18	2,996	3,963
Mr. Lau Fai Lawrence *(Note b)*	–	416	18	37	471
Mr. Chen Huaide *(Note c)*	–	108	–	–	108
Mr. Yu Qingrui *(Note d)*	–	130	–	2,996	3,126
Mr. Yang Yang *(Note d)*	–	130	–	3,227	3,357
Sub-total	–	1,733	36	9,256	11,025
Independent non-executive directors					
Mr. Siu Siu Ling, Robert	180	15	–	–	195
Mr. Tam Tak Wah	960	80	–	–	1,040
Mr. Chan Yee Por	180	15	–	–	195
Sub-total	1,320	110	–	–	1,430
Total	1,320	1,843	36	9,256	12,455

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

2014

	Fees HKD'000	Salaries bonuses and allowances HKD'000	Contributions to retirement benefits scheme HKD'000	Share-based payment expenses HKD'000	Total HKD'000
Executive directors					
Mr. He Jianhong *(Note e)*	–	–	–	–	–
Mr. Zhang Zhan Tao *(Note a)*	–	120	–	–	120
Mr. Siu Yun Fat *(Note b)*	–	957	14	549	1,520
Mr. Lau Fai Lawrence *(Note b)*	–	506	14	–	520
Mr. Chen Huaide *(Note c)*	–	32	–	–	32
Mr. Yu Qingrui *(Note d)*	–	32	–	–	32
Mr. Yang Yang *(Note d)*	–	32	–	–	32
Sub-total	–	1,679	28	549	2,256
Independent non-executive directors					
Mr. Siu Siu Ling, Robert	162	83	–	–	245
Mr. Tam Tak Wah	342	393	–	–	735
Mr. Chan Yee Por	162	83	–	–	245
Sub-total	666	559	–	–	1,225
Total	666	2,238	28	549	3,481

Saved as disclosed above, the Group has not classified any other person as chief executive for the year ended 31 December 2014. There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the two years ended 31 December 2015 and 2014.

During the two years ended 31 December 2015 and 2014, no emoluments were paid by the Group to the Directors or chief executive as an inducement to join, or upon joining the Group, or as compensation for loss of office.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

Notes:

a) Appointed on 1 February 2013 and suspended his position as executive director with effective from 6 March 2014 and removed on 10 October 2014.

b) Appointed on 28 January 2014.

c) Appointed on 26 September 2014 and resigned on 24 November 2015.

d) Appointed on 26 September 2014.

e) Appointed on 1 February 2013 and suspended his position as the chairman of the Board and executive director with effective from 27 January 2014 and removed on 10 October 2014.

f) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

g) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

During the years ended 31 December 2015 and 2014, certain directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 29 to the consolidated financial statements. The amount of the benefits in relation to share options has been determined in the sole discretion of the Board.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four directors (2014: three directors), details of whose remuneration are set out in Note 12 above. Details of the remuneration for the year of the remaining one (2014: two) highest paid employee(s) who is/are neither a director nor chief executive of the Company is/are as follows:

	2015	2014
	HKD'000	HKD'000
Salaries, bonuses and other benefits in kind	**400**	1,120
Contributions to retirement benefits scheme	**16**	23
Share-based payment expenses	**2,931**	548
	3,347	1,691

13. FIVE HIGHEST PAID EMPLOYEES *(Continued)*

The number of the highest paid employee(s) who is/are not the Directors whose remuneration fell within the following bands is as follows:

	Number of employee	
	2015	2014
Nil to HKD1,000,000	**–**	1
HKD1,000,001 to HKD1,200,000	**–**	1
HKD1,200,001 to HKD3,500,000	**1**	–

During the year ended 31 December 2015, one (2014: two) non-director and non-chief executive highest paid employee(s) was/were granted share options, in respect of the services provide to the Group under the share option scheme of the Company. Details of the share option scheme are set out in Note 29 to the consolidated financial statements. The amount of the benefit in relation to the share options has been determined in the sole discretion of the Board.

14. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: Nil).

15. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	2015 **HKD'000**	2014 HKD'000
(Loss) profit for the year attributable to owners of the Company for the purpose of basic and diluted (loss) earnings per share	**(47,620)**	2,715

15. (LOSS) EARNINGS PER SHARE *(Continued)*

From continuing and discontinued operations *(Continued)*

Number of shares

	2015 **'000**	2014 '000
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	**3,907,977**	2,738,575
Effect of dilutive potential ordinary shares:		
Share options issued by the Company *(Note)*	**N/A**	67,321
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	**3,907,977**	2,805,896

Note:

The computation of diluted loss per share for the year ended 31 December 2015 does not assume the exercise of the Company's outstanding share options since it would result in a decrease in loss per share for the year which is regarded as anti-dilutive.

From continuing operations

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

Loss figures are calculated as follows:

	2015 **HKD'000**	2014 HKD'000
(Loss) profit for the year attributable to owners of the Company	**(47,620)**	2,715
Less: Profit for the year from discontinued operations	**–**	(3,066)
Loss for the purpose of basic loss per share from continuing operations	**(47,620)**	(351)

The denominator used is the same as those detailed above for both basic and diluted loss per share.

Note:

The computation of diluted loss per share for continuing operations for the years ended 31 December 2015 and 31 December 2014 does not assume the exercise of the Company's outstanding share options since it would result in a decrease in loss per share for the years which is regarded as anti-dilutive.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HKD'000	Motor vehicles HKD'000	Office equipment HKD'000	Total HKD'000
COST				
At 1 January 2014 and 31 December 2014	702	–	222	924
Addition	–	800	127	927
Acquired on an acquisition of a subsidiary *(Note 33)*	1,976	–	250	2,226
Disposal of subsidiaries *(Note 31)*	–	–	(120)	(120)
At 31 December 2015	**2,678**	**800**	**479**	**3,957**
ACCUMULATED DEPRECIATION AND IMPAIRMENT				
At 1 January 2014	117	–	44	161
Provided for the year	139	–	45	184
At 31 December 2014	256	–	89	345
Acquired on an acquisition of a subsidiary *(Note 33)*	1,215	–	107	1,322
Provided for the year	173	67	49	289
At 31 December 2015	**1,644**	**67**	**245**	**1,956**
CARRYING VALUES				
At 31 December 2015	**1,034**	**733**	**234**	**2,001**
At 31 December 2014	446	–	133	579

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	Over the shorter of the lease terms or 20%
Motor vehicles	20%
Office equipment	20%

17. INVESTMENT PROPERTY

	2015 **HKD'000**	2014 HKD'000
Fair value		
At 1 January	**–**	–
Acquired on an acquisition of a subsidiary *(Note 33)*	**396,793**	–
Net increase in fair value recognised in profit or loss	**6,207**	–
At 31 December	**403,000**	–

The Group's property interests held under operating lease to earn rentals or for capital appreciation purposes is measured using the fair value model and is classified and accounted for as investment property.

At 31 December 2015, the Group's investment property has been pledged to the secure the bank borrowings granted to the Group (Note 27).

Fair value measurement of the Group's investment property

The fair value of the Group's investment property at 31 December 2015 (2014: Nil) have been arrived at on the basis of a valuation carried out by DTZ Debenham Tie Leung Limited, independent qualified professional valuers, not connected to the Group.

DTZ Debenham Tie Leung Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The valuation using direct comparison approach was arrived at by reference to market evidence of recent transaction prices for similar properties in the similar locations and conditions if such information is available.

In estimating the fair value of the investment property, the highest and best use of the investment property is in current use.

Details of the Group's investment property and information about the fair value hierarchy as at 31 December 2015 and 31 December 2014 are as follows:

	2015 **HKD'000**	2014 HKD'000
Investment property:		
Level 2	**403,000**	–

Valuation techniques and inputs used in Level 2 fair value measurements of investment property:

The fair values of investment property located in Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable properties on a price per square feet basis using market data which is publicly available.

18. INTERESTS IN ASSOCIATES/LOAN RECEIVABLE FROM AN ASSOCIATE

	2015 **HKD'000**	2014 HKD'000
Cost of investment in associates	**3,400**	–
Share of post-acquisition loss and other comprehensive income, net of dividend received	**(240)**	–
	3,160	–

On 8 May 2015, the Group entered into a share purchase agreement with an independent third party pursuant to which the Group has agreed to sell 66% issued share capital of Instant Achieve Limited ("**IAL**"), a wholly owned subsidiary of the Group, at a consideration of HKD330,000 (Note 31(a)). After the completion of the disposal, IAL became the associate of the Group.

The Group lent HKD29,000,000 and HKD51,000,000, in aggregate of HKD80,000,000 to IAL on 30 September 2015 and 27 October 2015 respectively. The loan was interest-free, unsecured and repayable on demand.

On 30 September 2015, the Group entered into a call option deed (the "**Call Option Deed**") with the major shareholder of IAL (the "**Grantor**"). Pursuant to the Call Option Deed, the Grantor granted a right to the Group to purchase 66% issued share capital of IAL. The Group is entitled to exercise the call option within five years from the date of grant of the call option. The fair value of the call option is disclosed in Note 19.

Loan receivable from IAL at the end of the reporting period was neither past due nor impaired.

Details of the Group's associates at the end of the reporting period are as follow:

Name of entity	Principal place of business	Proportion of ownership interest held by the Group		Proportion of voting rights held by the Group		Principal activities
		2015	2014	**2015**	2014	
IAL	British Virgin Islands	**34%**	100%	**34%**	100%	Investment holding
Central Wealth Securities Investment Limited ("**CWSI**") *(Note 1)*	Hong Kong	**34%**	100%	**34%**	100%	Dealing in securities and advising on securities
Central Wealth Futures Limited ("**CWF**") *(Note 1 and 2)*	Hong Kong	**34%**	N/A	**34%**	N/A	Inactive

18. INTERESTS IN ASSOCIATES/LOAN RECEIVABLE FROM AN ASSOCIATE

Notes:

1) CWSI and CWF are the wholly-owned subsidiaries of IAL.

2) It was newly incorporated company during the year ended 31 December 2015.

Summarised financial information of IAL

Summarised financial information in respect of the Group's associates are set out below. The summarised financial information below represents amounts shown in IAL's consolidated financial statements prepared in accordance with HKFRSs.

IAL is accounted for using the equity method in these consolidated financial statements.

	2015 HKD'000
Current assets	87,863
Non-current assets	1,105
Current liabilities	(80,091)

	15 May 2015 to 31 December 2015 HKD'000
Revenue	1,351
Loss and total comprehensive expense for the period	(707)
Dividend received from associates during the period	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in IAL recognised in the consolidated financial statements for the year ended 31 December 2015:

	2015 HKD'000
Net assets of IAL	8,877
Proportion of the Group's ownership interest in IAL	34%
Goodwill	142
Carrying amount of the Group's interest in IAL	3,160

19. DERIVATIVE FINANCIAL INSTRUMENT

	2015 HKD'000	2014 HKD'000
Financial asset:		
Call option *(Note)*	**5,292**	–

Note:

During the year ended 31 December 2015, the Group lent in aggregate HKD80,000,000 to an associate of the Company, IAL. Meanwhile, the Group entered into a Call Option Deed with the Grantor. Details are set out in Note 18 to the consolidated financial statements.

The fair value of the call option was calculated using the Binomial Option Pricing Model evaluated by Roma Appraisals Limited, an independent qualified professional valuer not connected to the Group. The inputs into the valuation were as follows:

	At date of issue on 30 September 2015	**At 31 December 2015**
Market value of 66% issued share capital of IAL *(Note a)*	**HKD7,746,708**	**HKD8,818,969**
Exercise price	**HKD6,409,301**	**HKD6,530,100**
Risk free rate *(Note b)*	**0.92%**	**1.02%**
Expected option period *(Note c)*	**5 years**	**4.749 years**
Expected volatility *(Note d)*	**63.43%**	**64.58%**

The fair value of the call option was approximately HKD4,478,000 and HKD5,292,000 as at date of issue on 30 September 2015 and 31 December 2015 respectively, hence, the change in fair value of approximately HKD5,292,000 was recognsied to consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2015.

Notes:

(a) The market value of 66% issued share capital of IAL is estimated by adopting the income-based approach as at the date of valuation.

(b) The risk-free rate adopted was the yield rate of the Hong Kong Treasury Bill over the expected option period as at the date of valuation that was extracted from Bloomberg.

(c) Expected option period is the expected remaining life of the option.

(d) Expected volatility is based on the historical price volatilities of the comparable companies, over the expected option period as at the date of valuation as extracted from Bloomberg.

The fair value of the call option, classified as Level 3, was determined using Binomial Option Pricing Model.

19. DERIVATIVE FINANCIAL INSTRUMENT *(Continued)*

Valuation technique and significant unobservable inputs are as follows:

Valuation technique	Significant unobservable inputs	Relating of unobservable inputs to fair value
Binomial Option Pricing Model	Discount rate and option exercise price	The lower of discount rate and option exercise price, the higher fair value of the option, and vice versa.

20. INVENTORIES

	2015 HKD'000	2014 HKD'000
Finished goods	–	313

Inventories are stated at the lower of cost and net realisable value. At 31 December 2014, no inventory was stated at net realisable value.

21. HELD-FOR-TRADING INVESTMENTS

	2015 HKD'000	2014 HKD'000
Listed securities held for trading, at fair value:		
Equity securities listed in Hong Kong	6,732	–

22. TRADE AND OTHER RECEIVABLES/LOAN AND INTEREST RECEIVABLES

	Notes	2015 HKD'000	2014 HKD'000
Trade receivables	(i)	24,954	22,113
Receivable from Ease Faith Limited	(ii)	17,616	17,616
Less: allowance of doubtful debts		(17,616)	–
		–	17,616
Other receivables, deposits and prepayments		3,729	1,097
Total trade and other receivables		28,683	40,826
Loan and interest receivables (including interest receivables of approximately HKD20,000 (2014: Nil))	(iii)	12,020	–

22. TRADE AND OTHER RECEIVABLES/LOAN AND INTEREST RECEIVABLES *(Continued)*

Notes:

(i) Trade receivables

Trade receivables at the end of the reporting period comprise amounts receivable from the sales of goods supplied to customers. No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers the credit information of the potential customer in assessing the customer's credit quality and defines the credit limits for that customer.

During the year ended 31 December 2015, the Group generally allows an average credit period of 120 days (2014: 120 days) to its customers. The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2015 **HKD'000**	2014 HKD'000
0 – 30 days	**–**	22,113
31 – 60 days	**16,210**	–
61 – 90 days	**–**	–
91 – 120 days	**8,744**	–
	24,954	22,113

At 31 December 2015 and 31 December 2014, the Directors considered that no impairment is necessary as the receivable is not yet past due and subsequent settlements are noted.

At the end of each reporting period, the Group's trade and other receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. The Group does not hold any collateral for all of its trade receivables as at 31 December 2015 and 31 December 2014.

(ii) Receivable from Ease Faith Limited ("Ease Faith")

Following the suspension of the position, functions and duties held by Mr. He with effective from 27 January 2014, the Directors conducted reviews of the major projects and transactions of the Group. During the course of the internal review (the "**Internal Review**"), the Company noted that, Great Rich Trading Limited ("**Great Rich**"), a wholly-owned subsidiary of the Company, entered into two sales contracts with Ease Faith to purchase raw materials for the purpose of trading (the "**Sales Contracts**") and paid a deposit of approximately HKD17,616,000 (the "**Receivable**"). Subsequently, Ease Faith failed to deliver the raw materials to Great Rich.

On 25 March 2014, Great Rich issued a writ of summons in the High Court of The Hong Kong Special Administrative Region by as the plaintiff claiming against Ease Faith, the supplier, as the defendant, for breach of the Sales Contracts or alternatively, money had and received. The representatives of the Group had taken part in the mediation with Ease Faith. The Directors consider that possibility of Great Rich to recover the outstanding Receivable from Ease Faith is remote. Therefore, impairment loss of approximately HKD17,616,000 has been recognised during the year ended 31 December 2015. Details are also set out in Note 36(b) to the consolidated financial statements.

22. TRADE AND OTHER RECEIVABLES/LOAN AND INTEREST RECEIVABLES *(Continued)*

Notes: (Continued)

(ii) Receivable from Ease Faith Limited ("Ease Faith") ***(Continued)***

The movements in allowance for doubtful debts of receivable from Ease Faith are as follows:

	2015 **HKD'000**	2014 HKD'000
At 1 January	**–**	–
Impairment loss recognised	**17,616**	–
At 31 December	**17,616**	–

(iii) Loan and interest receivables

The loan receivables are unsecured, bear fixed interest rate at 1.5% per annum (2014: Nil) and repayable according to the loan agreements.

The maturity profile of these loan and interest receivables, net of impairment losses recognised, at the end of the reporting period, analysed by the remaining periods to their contracted maturity, is as follows:

	2015 **HKD'000**	2014 HKD'000
More than 2 months but less than 1 year	**12,020**	–

The loan receivables have been reviewed by the management of the Group to assess impairment which are based on the evaluation of collectability, aging analysis of accounts and on management's judgment, including the current creditworthiness and the past statistics of individually significant accounts or a portfolio of accounts on a collective basis.

On 1 September 2015, the Group lent a loan to an independent third party amounted to HKD4,000,000 which bear fixed interest rate at 1.5% per annum. The balance is unsecured and repayable in March 2016.

On 11 December 2015, the Company noted that this borrower acquired 7.79% issued shares of the Company in total and become a shareholder of the Company.

As at 31 December 2015, including in the loan and interest receivables is an amount due from a shareholder of HKD4,005,000.

During the year ended 31 December 2015, the Directors considered that no impairment loss on loan and interest receivables is necessary as the loan and interest receivables are not yet past due and subsequent settlements are noted (2014: Nil).

23. CASH AND BANK BALANCES

Bank balances carry interest at floating rates based on daily bank deposit rate. The bank balances are deposited with creditworthy banks with no recent history of default.

23. CASH AND BANK BALANCES *(Continued)*

Included in cash and bank balances are the following amounts denominated in a currency other than functional currency of the entities:

	2015	2014
	HKD'000	HKD'000
RMB	**29**	1,192

At 31 December 2015, there was approximately HKD29,000 (2014: HKD1,192,000) denominated in RMB and deposited with banks in the PRC. The RMB is not freely convertible into other currencies, however, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

24. TRADE AND OTHER PAYABLES

	2015	2014
	HKD'000	HKD'000
Trade payables	**–**	173
Other payables and accrual *(Note)*	**20,840**	21,064
	20,840	21,237

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

	2015	2014
	HKD'000	HKD'000
0 – 30 days	**–**	173

Notes:

Material balances included in other payables and accrual are as follows:

(i) The amount due to Mr. He's wife of HKD310,000 as at 31 December 2015 and 31 December 2014.

(ii) The amount due to Able Success Asia Limited ("**Able Success**") of approximately HKD15,264,000 as at 31 December 2015 and 31 December 2014.

During the year ended 31 December 2015, the average credit period on purchases of goods is 30 days (2014: 30 days). The Group has financial risk management policies in place to ensure that all trade payables would be settled within the credit timeframe.

25. AMOUNT DUE TO A FORMER DIRECTOR

The amount due to a former director is unsecured, interest-free and repayable on demand.

26. AMOUNT DUE TO A DECONSOLIDATED SUBSIDIARY

During the year ended 31 December 2014, Bloxworth entered into an agreement with the Group to waive the amount due to Bloxworth of approximately HKD3,066,000 in full and the amount was recognised to consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014.

27. BANK BORROWINGS

	2015 **HKD'000**	2014 HKD'000
Secured bank borrowings	**187,180**	–

	2015 **HKD'000**	2014 HKD'000
Carrying amount repayable:		
Within one year	**7,675**	–
More than one year, but not more than two years	**7,898**	–
More than two years, but not more than five years	**25,006**	–
More than five years	**146,601**	–
	187,180	–
Carrying amount of the bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**179,505**	–
Carrying amount repayable within one year	**7,675**	–
	187,180	–

The bank borrowings bear interest at range of HKD Prime Rate – 1.75% and HIBOR (1 month) + 2% per annum at 31 December 2015. The weighted average effective interest rates on the bank borrowings are as follows:

	2015	2014
Secured bank borrowings	**2.197% – 3.500%**	–

At 31 December 2015, the Group's investment property has been pledged to the bank borrowings granted to the Group (Note 17).

28. SHARE CAPITAL

	Number of ordinary shares *(Note a)*	Number of preference shares	Amount HKD'000
Ordinary shares of HKD0.001 each			
Authorised:			
At 31 December 2015 and 31 December 2014	249,480,000,000	520,000,000	250,000
Issued and fully paid:			
At 1 January 2014	2,021,325,332	–	2,021
Issuance of shares upon placing *(Note b)*	169,000,000	–	169
Issuance of shares upon open offer *(Note c)*	1,095,162,666	–	1,095
At 31 December 2014	3,285,487,998	–	3,285
Exercise of share options *(Note d)*	236,100,000	–	237
Issuance of shares upon placing *(Note e)*	2,256,000,000	–	2,256
At 31 December 2015	**5,777,587,998**	**–**	**5,778**

Notes:

a) All the ordinary shares which were issued by the Company rank pari passu with each other in all respects.

b) On 14 March 2014 and 17 March 2014, the Company entered into a conditional placing agreement and supplemental agreement with Get Nice Securities Limited (the "**Get Nice Agent**"), pursuant to which the Company has conditionally agreed to place, through the Get Nice Agent on a best effort basis a maximum of 169,000,000 placing shares at a placing price of HKD0.105 per placing share (the "**Placing**"). The gross proceeds from the Placing are approximately HKD17.7 million. The net proceeds after deducting the placing commission and other related expenses was approximately HKD17.4 million. The completion of the Placing took place on 10 April 2014. Further details of the Placing are set out in the announcement of the Company dated 14 March 2014, 17 March 2014, 28 March 2014 and 10 April 2014, respectively.

c) Pursuant to the Company's announcement dated 22 April 2014 and the prospectus of the Company dated 26 May 2014, the Company proposed an open offer on the basis of one offer share for every two existing shares at the subscription price of HKD0.04 per offer share (the "**Open Offer**"). A total of 1,095,162,666 shares were issued under the Open Offer on 17 June 2014. The gross proceeds from the Open Offer are approximately HKD43.8 million. The net proceeds after deducting the underwriting commission and other related expenses was approximately HKD41.6 million.

d) On 10 June 2015, 236,100,000 share options were exercised (2014: Nil). The proceeds from the exercise of share option are approximately HKD29 million.

28. SHARE CAPITAL *(Continued)*

Notes: (Continued)

e) On 26 June 2015, the Company entered into a placing agreement with Skyway Securities Investment Limited (the "**Skyway Agent**"), pursuant to which the Company has conditionally agreed to place, through the Skyway Agent, on a best effort basis a maximum of 656,000,000 placing shares at a placing price of HKD0.26 per placing share. The gross proceeds from the placing are approximately HKD170.5 million. The net proceeds after deducting the placing commission and other related expenses was approximately HKD165 million. The completion of the placing took place on 17 July 2015. Further details of the placing are set out in the announcement of the Company dated 26 June 2015 and 17 July 2015 respectively.

On 22 September 2015, the Company and the Skyway Agent entered into (i) placing agreement under general mandate, pursuant to which the Company has conditionally agreed to place, through the Skyway Agent, on a best effort basis a maximum of 700,000,000 placing shares at a placing price of HKD0.135 per placing share ("**GM Placing**"). The completion of GM Placing took place on 22 October 2015; (ii) placing agreement under specific mandate, pursuant to which the Company has conditionally agreed to place, through the Skyway Agent, on a best effort basis a maximum of 900,000,000 placing shares at a placing price of HKD0.135 per placing share ("**SM Placing**"). The completion of SM Placing took place on 11 December 2015. The gross proceeds from GM Placing and SM Placing are approximately HKD216 million. The net proceeds after deducting the placing commissions and other related expenses from GM Placing and SM Placing were approximately HKD208 million. Further details of GM Placing and SM Placing are set out in the announcement of the Company dated 22 September 2015, 22 October 2015, 17 November 2015 and 11 December 2015, respectively.

29. SHARE OPTION SCHEME

Scheme 2003

Pursuant to the written resolutions passed by all of the shareholders of the Company on 2 June 2003, the Company adopted a share option scheme (the "**Scheme 2003**"). Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 22 February 2012, the Scheme 2003 was terminated and a new share option scheme (the "**Scheme 2012**") was adopted. The adoption of Scheme 2012 will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Scheme 2003 and shall continue to be valid and subject to the provisions of Scheme 2003.

The purpose of the Scheme 2003 is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the Scheme 2003, the Directors may, at their absolute discretion, invite any employee (whether full-time or part time, including any executive director), any non-executive director (including independent non-executive director), any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder, any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or its investee companies to take up options to subscribe for shares in the Company representing up to a maximum 10% of the shares in issue as at the date of commencement of listing of shares of the Company on the Stock Exchange and subject to renewal with shareholders' approval. The number of shares in respect of which options may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in any one year exceeding the higher of 0.1% of the Company's shares in issue and with a value in excess of HKD5,000,000 must be approved by the Company's shareholders. Options granted must be taken up within 21 days of the date of grant, upon payment of HKD1 per each grant of options. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the board of directors of the Company but in any event not exceeding 10 years. The exercise price is determined by the directors and will be not less than the higher of the closing price of the Company's shares on the date of grant, the average closing prices of the shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

29. SHARE OPTION SCHEME *(Continued)*

Scheme 2012

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 22 February 2012, the Scheme 2003 was terminated and the Scheme 2012 was adopted. The purpose of the Scheme 2012 is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the Scheme 2012, the Directors may, at their absolute discretion, invite any employee (whether full-time or part time, including any executive director), any non-executive director (including independent non-executive director), any supplier of goods or services to any member of the Group or any entity in which the Group holds any equity interest (the "**Invested Entity**"), any customer of the Group or any Invested Entity, any consultant, adviser, agent and contractor engaged by the Group or any Invested Entity, any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity to take up options to subscribe for shares in the Company representing up to a maximum 30% of the issued share capital of the Company from time to time and subject to renewal with shareholders' approval. The number of shares in respect of which options may be granted to any individual in aggregate within any 12-month period is not permitted to exceed 1% of the shares of the Company in issue, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non-executive directors in any one year exceeding the higher of 0.1% of the Company's shares in issue and with a value in excess of HKD5,000,000 must be approved by the Company's shareholders. Options granted must be taken up within 28 days of the date of grant, upon payment of HKD1 per each grant of options. Options may be exercised at any time from the date of acceptance of the share option to such date as determined by the Board but in any event not exceeding 10 years. The exercise price is determined by the directors and will be not less than the higher of the closing price of the Company's shares on the date of grant, the average closing prices of the shares for the five business days immediately preceding the date of grant and the nominal value of the Company's shares.

The existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Scheme 2012 has been refreshed at the adjourned annual general meeting held on 21 July 2014 which the total number of shares of the Company may be allotted and issued pursuant to the grant or exercises of the options under Scheme 2012 shall not be exceed 10% of the shares of the Company in issue as at 21 July 2014.

29. SHARE OPTION SCHEME *(Continued)*

Scheme 2012 *(Continued)*

The following table discloses details and movements of the Company's share options held by senior management, employees and consultants under Scheme 2003 and Scheme 2012 during the years ended 31 December 2015 and 2014:

	Date of grant	2015 exercise price HKD	2014 exercise price HKD	Exercisable period	Outstanding at 1.1.2014	Lapsed during the year	Granted during the year	Outstanding at 31.12.2014	Granted during the year	Exercised during the year	Outstanding at 31.12.2015
Scheme 2003											
Senior management	2 May 2007	2.9240	2.9240	2 May 2007 to 1 May 2017	467,852	–	–	467,852	–	–	467,852
Employees	10 February 2004	N/A	N/A	10 February 2004 to 9 February 2014	962,350	(962,350)	–	–	–	–	–
	2 May 2007	2.9240	2.9240	2 May 2007 to 1 May 2017	311,903	–	–	311,903	–	–	311,903
	30 January 2008	2.0263	2.0263	30 January 2008 to 29 January 2018	1,559,513	–	–	1,559,513	–	–	1,559,513
Weighted average exercise price		2.33	2.33		3,301,618	(962,350)	–	2,339,268	–	–	2,339,268
Scheme 2012											
Director	24 July 2014	0.1164	0.1164	24 July 2014 to 23 July 2016	–	–	32,800,000	32,800,000	–	–	32,800,000
	13 July 2015	0.2700	N/A	13 July 2015 to 12 July 2017	–	–	–	–	35,000,000	–	35,000,000
	27 July 2015	0.3350	N/A	27 July 2015 to 26 July 2017	–	–	–	–	70,000,000	–	70,000,000
	4 September 2015	0.2010	N/A	4 September 2015 to 3 September 2017	–	–	–	–	600,000	–	600,000
Employee	24 July 2014	N/A	0.1164	24 July 2014 to 23 July 2016	–	–	32,800,000	32,800,000	–	(32,800,000)	–
	27 July 2015	0.3350	N/A	27 July 2015 to 26 July 2017	–	–	–	–	35,000,000	–	35,000,000
	4 September 2015	0.2010	N/A	4 September 2015 to 3 September 2017	–	–	–	–	1,400,000	–	1,400,000
Consultants	24 July 2014	0.1164	0.1164	24 July 2014 to 23 July 2016	–	–	65,600,000	65,600,000	–	(32,800,000)	32,800,000
	1 September 2014	N/A	0.1264	1 September 2014 to 31 August 2016	–	–	170,500,000	170,500,000	–	(170,500,000)	–
	22 June 2015	0.3190	N/A	22 June 2015 to 21 June 2017	–	–	–	–	26,800,000	–	26,800,000
	27 July 2015	0.3350	N/A	27 July 2015 to 26 July 2017	–	–	–	–	35,000,000	–	35,000,000
	4 September 2015	0.2010	N/A	4 September 2015 to 3 September 2017	–	–	–	–	175,000,000	–	175,000,000
Weighted average exercise price		0.24	0.12		–	–	301,700,000	301,700,000	378,800,000	(236,100,000)	444,400,000

29. SHARE OPTION SCHEME *(Continued)*

Scheme 2012 *(Continued)*

The weighted average remaining contractual life of these outstanding share options is approximately 1.46 years (2014: 1.63 years).

The fair values of the share options granted for the directors and employees under the Scheme 2003 were determined at the dates of grant by using the Black-Scholes option pricing model, evaluated by Ample Appraisal Limited, an independent professional valuer not connected to the Group, with the following inputs:

	2 May 2007	**30 January 2008**
Share price at date of grant	HKD0.900	HKD0.630
Exercise price	HKD0.912	HKD0.632
Expected volatility	36.05%	50.29%
Risk-free rate	3.901%	1.651%
Expected dividend yield	5%	7.14%

During the year ended 31 December 2014, the fair values of the share options were determined at the dates of grant by using the Binomial option pricing model, evaluated by Cushman & Wakefield Valuation Advisory Services (HK) Limited, an independent professional valuer not connected to the Group, with the following inputs:

	24 July 2014
Share price at date of grant	HKD0.112
Exercise price	HKD0.1164
Expected volatility	28.92%
Risk-free rate	0.39%
Expected dividend yield	0%
Expected life	2 years

During the year ended 31 December 2015, the fair values of the share options were determined at the dates of grants by using the Black-Scholes-Merton Option Pricing Model and Binomial Option Pricing Model, evaluated by DTZ Debenham Tie Leung Limited, an independent professional valuer not connected to the Group, with the following inputs:

	13 July 2015	**27 July 2015**	**4 September 2015**
Share price at date of grant	HKD0.2700	HKD0.2900	HKD0.1890
Exercise price	HKD0.2700	HKD0.3350	HKD0.2010
Expected volatility	62.75%	62.40%	62.71%
Risk-free rate	0.39%	0.39%	0.48%
Expected dividend yield	0%	0%	0%
Expected life	2 years	2 years	2 years

Share options granted under the Scheme 2003 and the Scheme 2012 may be exercised at any time from the date of grant.

29. SHARE OPTION SCHEME *(Continued)*

The details of the fair value per option for options granted during the years ended 31 December 2015 and 31 December 2014 were set out below:

During the year ended 31 December 2014, the fair value of options granted to directors and employees is approximately HKD1,097,000, was included in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014. The Group granted 65,600,000 and 170,500,000 share options of approximately HKD3,764,000 to its consultants on 24 July 2014 and 1 September 2014, respectively, in exchange for cost of services provided.

During the year ended 31 December 2015, the fair value of options granted to directors and employees is approximately HKD12,270,000, was included in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015. The Group granted 26,800,000, 35,000,000 and 175,000,000 share options of approximately HKD14,893,000 to its consultants on 22 June 2015, 27 July 2015 and 4 September 2015, respectively, in exchange for cost of services provided.

The Group recognised an expense of approximately HKD27,163,000 (2014: HKD4,861,000) for the year ended 31 December 2015 in relation to share options granted by the Company.

30. EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 15 July 2015 (the "**Adoption Date**"), the Directors adopted a share award scheme (the "**Share Award Scheme**") to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group. A trustee is appointed by the Group for administering the Share Award Scheme.

Pursuant to the Share Award Scheme, the Company's shares may be acquired by the administration committee or the trustee at the cost of the Company. Such shares will be held in trust for the selected person until the vesting criteria and conditions have been satisfied.

The Directors may, from time to time, at its sole and absolute discretion, select any executives, officers, directors, holders of any securities issued by any members of the Group and others of the Group (collectively referred to as "**Selected Person**") for participation in the Share Award Scheme and grant such number of awarded shares to any Selected Person of the Group at nil consideration. The Directors are entitled to impose any conditions (including a period of continued services within the Group after the award) with respect to the vesting of the awarded shares.

The Share Award Scheme came into effect on the Adoption Date, and shall terminate on the earlier of (i) the tenth anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Directors.

30. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

Details of the shares held under the Share Award Scheme are set out below:

	2015			2014		
	Average purchase price HKD	**Number of shares held '000**	**Amount HKD'000**	Average purchase price HKD	Number of shares held '000	Amount HKD'000
At 1 January	**–**	**–**	**–**	N/A	–	–
Shares purchased during the year	**0.30**	**56,560**	**17,228**	N/A	–	–
At 31 December		**56,560**	**17,228**		–	–

During the year ended 31 December 2015, all the awarded shares have not been awarded to the Selected Person.

31. DISPOSAL OF SUBSIDIARIES

(a) Disposal of IAL and its subsidiary

On 8 May 2015, the Group entered into a share purchase agreement with an independent third party, pursuant to which the Group has agreed to sell 66% issued share capital of IAL at a consideration of HKD330,000. The disposal was completed on 14 May 2015. IAL is inactive during the period from 1 January 2015 to 14 May 2015.

Consideration received:	**HKD'000**
Cash received	**330**

31. DISPOSAL OF SUBSIDIARIES *(Continued)*

(a) Disposal of IAL and its subsidiary *(Continued)*

	HKD'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment *(Note 16)*	120
Other receivables	207
Cash and bank balances	42
Other payables	(535)
Amount due to the Group	(250)
Net liabilities disposed of	(416)
Gain on disposal	746
Total consideration	330
Net cash inflow arising on disposal:	
Consideration received in cash	330
Less: cash and bank balances disposed of	(42)
	288

After the completion of disposal, the Group owns 34% issued share capital of IAL and IAL became an associate of the Group (Note 18).

(b) Disposal of Boway Enterprises (International) Limited and Guangzhou For You Internet Technology Company Limited ("Guangzhou For You") (collectively referred to as "Disposal Group")

On 3 November 2015, the Group entered into the sale and purchase agreement with Mr. Chen Huaide ("**Mr. Chen**"), the former director of the Company, in relation to the disposal of Disposal Group at a consideration of HKD3,300,000. The disposal was completed on 31 December 2015. The principal activity of Guangzhou For You was trading business and related services.

Consideration received:	HKD'000
Cash received	3,300

31. DISPOSAL OF SUBSIDIARIES *(Continued)*

(b) Disposal of Boway Enterprises (International) Limited and Guangzhou For You Internet Technology Company Limited ("Guangzhou For You") (collectively referred to as "Disposal Group") *(Continued)*

	HKD'000
Analysis of assets and liabilities over which control was lost:	
Intangible assets	41
Inventories	842
Other receivables, deposits and prepayments	2,170
Cash and bank balances	56
Trade and other payables	(908)
Net assets disposed of	2,201
Cumulative exchange differences in respect of the net assets of the Disposal Group reclassified from equity to profit or loss on loss of control of the Disposal Group	222
Legal and professional incurred for the disposal	288
Gain on disposal	589
Total consideration	3,300
Net cash inflow arising on disposal:	
Consideration received in cash	3,300
Less: Cash and bank balances disposed of	(56)
Legal and professional fee paid for the disposal	(136)
	3,108

32. DEREGISTRATION OF A SUBSIDIARY

During the year ended 31 December 2015, the Group deregistered an indirectly wholly-owned subsidiary, 廣州市達以富貿易有限公司 ("**達以富**"). 達以富 was inactive during the period.

Net liabilities of 達以富 at the date of deregistration were as follows:

	HKD'000
Cash and bank balances	3
Other payables and accrued charges	(149)
Net liabilities	(146)
Cumulative exchange differences in respect of the net liabilities of 達以富 reclassified from equity to profit or loss on deregistration of 達以富	(3)
Gain on deregistration	(149)
Net cash outflow arising on deregistration:	
Cash and bank balances	(3)

達以富 did not have significant contribution to the Group's result and cash flow for the year ended 31 December 2015.

33. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

On 17 August 2015, the Group entered into a sale and purchase agreement with an independent third party pursuant to which the Group has agreed to acquire the entire issued share capital of Metro Victor Limited ("**Metro Victor**") at a consideration of HKD210,000,000. The acquisition was completed on 30 November 2015. Metro Victor is principally engaged in the property investment business and is holding an investment property in Hong Kong. The acquisition had been accounted for as acquisition of assets.

33. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY *(Continued)*

Asset acquired and liabilities recognised at the date of acquisition are as follows:

	HKD'000
Property, plant and equipment *(Note 16)*	**904**
Investment property *(Note 17)*	**396,793**
Other receivables and deposits	**30**
Cash and bank balances	**751**
Other payables and accruals	**(277)**
Bank borrowings	**(188,201)**
Total consideration	**210,000**

	HKD'000
Total consideration satisfied by:	
Cash	**110,000**
Settled by promissory notes *(Note)*	**100,000**
	210,000
Analysis of net cash outflow arising on acquisition of assets through acquisition of Metro Victor:	
Consideration paid by cash	**(110,000)**
Less: cash and bank balances acquired of	**751**
	(109,249)

Note:

The promissory notes carry interest rate at 2% per annum with 2-year maturity issued on 30 November 2015 was settled on 15 December 2015.

34. COMMITMENTS

a) Operating lease commitment – the Group as lessor

Investment property rental income earned during the year ended 31 December 2015 was HKD450,000. The property is expected to generate rental yield of 1.34% on an ongoing basis. The property held has committed tenant for the next 1 year.

At the end of the reporting period, the Group had contracted with tenant for the following futures minimum lease payments:

	2015 **HKD'000**	2014 HKD'000
Within one year	**4,950**	–

b) Operating lease commitment – the Group as lessee

	2015 **HKD'000**	2014 HKD'000
Minimum lease payments paid under operating leases during the year:		
– Premises	**1,729**	1,015
– Internet hardware and software	**544**	66
	2,273	1,081

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancelable operating leases which fall due as follows:

	2015 **HKD'000**	2014 HKD'000
Within one year	**950**	1,902
In the second to the fifth years inclusive	**–**	1,432
	950	3,334

Operating lease payments represent rentals payable by the Group for certain of its premises and internet hardware and software. Leases are negotiated for an average term of 2 years (2014: 2 years) and no arrangements have been entered into for contingent rental payments.

34. COMMITMENTS

c) Other commitment

For the registered capital of HKD500,000 for 深圳駿盛匯貿易有限公司 ("**駿盛匯**"), an indirectly wholly-owned subsidiary of the Company, the Group shall pay 20% of the registered capital within three months after the date of issuance of business license of 駿盛匯 and shall pay the remaining 80% of the registered capital within two years after the date of issuance of business license. Although the business license has been issued on 4 November 2014, the Group has yet to pay up any capital for 駿盛匯 at 31 December 2015. The Board consider that the risk to pay the penalty is remote and hence no provision has been provided for the year ended 31 December 2015 (2014: Nil).

35. DECONSOLIDATION OF SUBSIDIARIES

Pursuant to the Company's announcement dated 25 March 2014, due to the non-cooperation of the management of the Deconsolidated Subsidiaries and the continued absence of Mr. He from the Company, who was responsible for liasing with the Deconsolidated Subsidiaries, the Board has been unable to access to the books and records of the Deconsolidated Subsidiaries. Given the situation described above, the Board is of the view that the Group does not have the records to prepare accurate and complete financial statements for the Deconsolidated Subsidiaries for the financial year ended 31 December 2014. On 25 March 2014, the Board resolved that the Group no longer had the power to govern the financial and operating policies of the Deconsolidated Subsidiaries, and the control over the Deconsolidated Subsidiaries was lost on that date. The Group therefore deconsolidated the Deconsolidated Subsidiaries from its consolidated financial statements for the financial year ended 31 December 2014 and 31 December 2013.

Pursuant to the ordinary resolution passed at the extraordinary general meeting of the Company on 10 October 2014, Mr. He was removed from his office of director of the Company.

The following is a list of the subsidiaries which have been deconsolidated from 1 January 2013:

Name of subsidiary	Place of incorporation or establishment/ operation	Paid-up share capital/ registered capital	Proportion of nominal value of ordinary issued capital/ registered capital held by the Company		Principal activities
			Directly	Indirectly	
Bloxworth	British Virgin Islands, limited liability	USD1,000	100%	–	Investment holding
Zhanpen	PRC, wholly owned foreign enterprise	USD8,100,000	–	100%	Manufacture and sale of tinplate cans for the packaging of beverage in the PRC

35. DECONSOLIDATION OF SUBSIDIARIES *(Continued)*

The combined net assets of the Deconsolidated Subsidiaries as of 1 January 2013, which is based on their financial information as of 31 December 2012 were set out below respectively:

	Total
	HKD'000
Net assets deconsolidated:	
Prepaid lease payments, net of accumulated amortisation and impairment	–
Property, plant and equipment, net of accumulated depreciation and impairment	12,569
Inventories	3,228
Trade receivables, net of allowance for doubtful debts	46,079
Other receivables, deposits and prepayments	2,300
Cash and bank balances	960
Amount due from the Company	1,566
Trade payables	(1,737)
Other payables and accrued charges	(4,093)
Receipt in advance	(405)
Tax liabilities	(2,599)
	57,868
Loss on deconsolidation of subsidiaries	(39,267)
Release of translation reserve upon disposal	(18,601)
	–
Net cash outflow arising on deconsolidation	
Cash and bank balances disposed of	(960)

36. LITIGATIONS AND CONTINGENCIES

a) The alleged guarantee and the claim

In December 2013, the Board received demand letter from alleged creditors of two companies, requesting the Company, being the alleged guarantor of debts in the total sum of approximately RMB842 million owed by two companies (the "**Alleged Creditors**") unknown to the Company (the "**Alleged Guarantees**"), to settle the alleged debts on or before 11 December 2013, and forewarning that, failing which, the Alleged Creditors would take legal action against the Company.

On 14 January 2014, the Company received a writ of summons and statement of claim issued by 廣東省金屬回收公司 (Guangdong Metal Recycling Corporation*) ("**GMRC**"), one of the two Alleged Creditors in relation to the Alleged Guarantees, against: (i) Able Success as 1st defendant; (ii) Mr. He as the 2nd defendant; and (iii) the Company as the 3rd defendant, claiming an aggregate sum of approximately RMB644 million (the "**Claim**").

In response to the Claim, the Company submitted the defence (the "**Alleged Guarantee Defence**"), which avers, inter alia, that:

(a) neither the Board nor the shareholders of the Company had approved or authorised the execution of the purported guarantees or any other documents in favour of GMRC on behalf of the Company;

(b) GMRC had actual, alternatively imputed, knowledge or notice of the lack of authority and/or capacity of Mr. He to execute the purported guarantees, and did not deal with the Company in good faith;

(c) the purported guarantees were executed by Mr. He ultra vires and void for want of authority and/or capacity;

(d) further or alternatively, the making of the purported guarantees was without any benefit whatsoever to the Company as it was given without any consideration provided by GMRC and was neither in the commercial interests of, nor authorised by, the Company, and constituted a purported disposal of its capital without receiving a benefit in return; and

(e) the Company denies that GMRC is entitled to any of its claims and/or interest as alleged in the Claim.

The Company states that it did not approve and did not authorise any person to enter into the Alleged Guarantees on behalf of the Company and was not aware of the existence of the same beforehand.

After taking legal advice from the legal adviser, the Board is of the view that the Alleged Guarantees and the Claim are void and unenforceable and the Company has valid grounds to defend. The Company will take all necessary steps to resist the Alleged Guarantees and Claim. Accordingly, there should not be any material impact on the financial position of the Company and the Group.

* *For identification purpose only*

36. LITIGATIONS AND CONTINGENCIES *(Continued)*

b) Disputes for receivables from Ease Faith

As detailed in Note 22(ii) to the consolidated financial statements, Great Rich issued a writ of summons in the High Court of The Hong Kong Special Administrative Region as the plaintiff claiming against Ease Faith, the supplier in the Sales Contracts as the defendant, for breach of the Sales Contracts or unjust enrichment on money had and received.

After taking legal advice from legal adviser, the Board is of the view that Great Rich has a reasonable chance on its claims against Ease Faith. However, after the representatives of the Group had taken part in mediation with Ease Faith during this year, the Directors consider that the possibility of Great Rich recovering the outstanding Receivable from Ease Faith is remote. Therefore, impairment loss of approximately HKD17,616,000 has been recognised during the year ended 31 December 2015.

37. MATERIAL RELATED PARTY TRANSACTIONS AND DISCLOSURES

a) As at 31 December 2015, including in the loan and interest receivables is an amount due from a shareholder, Mr. Huang Chuan, of HKD4,005,000 *(Note 22(iii))*.

b) On 3 November 2015, the Group entered into the sale and purchase agreement with Mr. Chen, the former director of the Company, in relation to the disposal of Disposal Group at a consideration of HKD3,300,000. The disposal was completed on 31 December 2015 *(Note 31(b))*.

c) Compensation to key management personnel

Remuneration for key management personnel of the Group, including directors and certain highest paid employees have been disclosed in Notes 12 and 13 to the consolidated financial statements, respectively.

38. RETIREMENT BENEFITS PLANS

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD25,000 prior to June 2014 and HKD30,000 after June 2014. Contributions to the plan vest immediately.

The employees of the Company's subsidiary in the PRC are members of a state managed retirement benefit scheme operated by the government of the PRC.

The total cost charged to the consolidated statement of profit or loss and other comprehensive income of approximately HKD499,000 (2014: HKD76,000) represents contributions payable to these schemes by the Group in respect of the current reporting period.

39. INTERESTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2015 and 31 December 2014 are as follows:

Name of subsidiary	Place of incorporation or establishment/ operation	Paid-up share capital/ registered capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Group				Principal activities
			Directly		Indirectly		Directly		Indirectly		
			2015 %	2014 %	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %	
Great Rich	Hong Kong, limited liability	HKD1	100%	100%	–	–	100%	100%	–	–	Investment holding and trading business and related services
Ever Good Industries (International) Limited	Hong Kong, limited liability	HKD100	100%	100%	–	–	100%	100%	–	–	Trading business and related services
Smart Prosper Enterprises (International) Limited	Hong Kong, limited liability	HKD100	100%	100%	–	–	100%	100%	–	–	Investment holding
Boway Enterprises (International) Limited *(Note c)*	Hong Kong, limited liability	HKD100	N/A	100%	N/A	–	N/A	100%	N/A	–	Investment holding
Globally Finance Limited	Hong Kong, limited liability	HKD1	100%	100%	–	–	100%	100%	–	–	Provision of financing services
Golden Horse Hong Kong Investment Limited	Hong Kong, limited liability	HKD1	100%	100%	–	–	100%	100%	–	–	Securities trading and investment
IAL *(Note d)*	British Virgin Islands, limited liability	680 ordinary shares of USD1 each	N/A	100%	N/A	–	N/A	100%	N/A	–	Investment holding
Sky Eagle Global Limited	British Virgin Islands, limited liability	1 ordinary share of USD1 each	100%	100%	–	–	100%	100%	–	–	Investment holding
Innovation Times Limited	British Virgin Islands, limited liability	1 ordinary share of USD1 each	100%	100%	–	–	100%	100%	–	–	Investment holding
Bright Oriental Worldwide Limited	Hong Kong, limited liability	HKD1	100%	100%	–	–	100%	100%	–	–	Inactive
Sky Faith International Investment Limited (formerly known as Central Wealth Financial Group Limited, China For You Investment Limited)	Hong Kong, limited liability	HKD1	100%	100%	–	–	100%	100%	–	–	Inactive
Central Mark Group Limited *(Note a)*	British Virgin Islands, limited liability	1 ordinary share of USD1 each	100%	N/A	–	N/A	100%	N/A	–	N/A	Investment holding
Skypark Developments Limited *(Note a)*	British Virgin Islands, limited liability	1 ordinary share of USD1 each	100%	N/A	–	N/A	100%	N/A	–	N/A	Investment holding
駿盛匯	PRC, wholly owned foreign enterprises	Nil *(Note f)*	–	–	100%	100%	–	–	100%	100%	Inactive

39. INTERESTS IN SUBSIDIARIES *(Continued)*

Name of subsidiary	Place of incorporation or establishment/ operation	Paid-up share capital/ registered capital	Proportion of ownership interest held by the Company				Proportion of voting power held by the Group				Principal activities
			Directly		Indirectly		Directly		Indirectly		
			2015 %	2014 %	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %	
達以富	PRC, wholly owned foreign enterprises	Nil *(Note e)*	**N/A**	–	**N/A**	100%	**N/A**	–	**N/A**	100%	Inactive
Guangzhou For You *(Note c)*	PRC, wholly owned foreign enterprises	RMB3,000,000	**N/A**	–	**N/A**	100%	**N/A**	–	**N/A**	100%	Trading business and related services
Metro Victor *(Note b)*	Hong Kong, limited liability	HKD1	**–**	N/A	**100%**	N/A	**–**	N/A	**100%**	N/A	Property investment
Infinite Bright Limited	Hong Kong, limited liability	HKD1	**–**	–	**100%**	100%	**–**	–	**100%**	100%	Investment holding
HK Ocean Wave Motion Pictures Limited *(Note a)*	Hong Kong, limited liability	HKD100	**–**	N/A	**51%**	N/A	**–**	N/A	**51%**	N/A	Inactive
China Wisdom Group Limited (formerly known as Sky Faith International Investment Limited) *(Note a)*	Hong Kong, limited liability	HKD1	**–**	N/A	**100%**	N/A	**–**	N/A	**100%**	N/A	Inactive
Sky Billion Capital Resources Limited *(Note a)*	Hong Kong, limited liability	HKD1	**–**	–	**100%**	N/A	**–**	N/A	**100%**	N/A	Inactive
CWSI *(Note d)*	Hong Kong, limited liability	HKD120,000,000	**N/A**	–	**N/A**	100%	**N/A**	–	**N/A**	100%	Securities financing services

Notes:

a) Newly incorporated companies during the year ended 31 December 2015.

b) Newly acquired company during the year ended 31 December 2015.

c) Disposed companies during the year ended 31 December 2015.

d) 66% issued share capital has been disposed of and became associates during the year ended 31 December 2015.

e) The subsidiary was deregistered during the year ended 31 December 2015.

f) Newly incorporated during the year ended 31 December 2014 and the registered capital of HKD500,000 has not been paid up at 31 December 2015.

None of the subsidiaries had issued any debt securities at 31 December 2015 and 31 December 2014.

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consist of net debt, which includes the bank borrowings disclosed in Note 27, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The Directors review the capital structure on an annual basis. As part of this review, the Directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

41. FINANCIAL INSTRUMENTS

Categories of financial instruments

(i) Financial assets

	2015 **HKD'000**	2014 HKD'000
FVTPL:		
Held-for-trading investments	**6,732**	–
Derivative financial instrument	**5,292**	–
	12,024	–
Loans and receivables (including cash and bank balances):		
Trade and other receivables	**28,175**	40,748
Loan and interest receivables	**12,020**	–
Loan receivable from an associate	**80,000**	–
Cash and bank balances	**98,114**	45,082
	218,309	85,830
	230,333	85,830

41. FINANCIAL INSTRUMENTS *(Continued)*

Categories of financial instruments *(Continued)*

(ii) Financial liabilities

	2015 HKD'000	2014 HKD'000
Financial liabilities at amortised cost:		
Trade and other payables	**20,840**	21,237
Amount due to a former director	**–**	104
Bank borrowings	**187,180**	–
	208,020	21,341

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments including trade and other receivables, loan and interest receivables, held-for-trading investments, derivative financial instrument, loan receivable from an associate, cash and bank balances, trade and other payables, amount due to a former director and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group's exposure to currency risk is attributable to the cash and bank balances, trade and other receivables, trade and other payables and amount due to a former director are denominated in foreign currencies other than the functional currency of the group entity. The Board considers that the foreign currency exposure is minimal. The Group currently does not have a foreign currency hedging policy in respect of foreign currency exposure. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Market risk *(Continued)*

(i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	2015 HKD'000	2014 HKD'000
RMB		
Monetary assets:		
Cash and bank balances	**29**	1,192
Trade and other receivables	**7**	18
	36	1,210
Monetary liabilities:		
Trade and other payables	**–**	(1,009)
Amount due to a former director	**–**	(104)
	–	(1,113)
	36	97

Sensitivity analysis

The Group is mainly exposed to the foreign currency risk of RMB. The following table details the Group's sensitivity analysis, the analysis assumes a 5% increase and decrease in foreign currency against the functional currency, with all other variable held constant. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated in monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an decrease in post-tax loss where functional currencies strengthen 5% against foreign currencies. For a 5% weakening of functional currencies against the foreign currencies, there would be equal and opposite impact on the post-tax loss and the balances below would be negative.

	2015 HKD'000	2014 HKD'000
Decrease in post-tax loss RMB	**2**	4

As HKD is linked to USD, the Group does not have material exchange risk on such currency.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Market risk *(Continued)*

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to its variable-rate bank balances and bank borrowings as detailed in Notes 23 and 27 respectively. The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's bank balances are short-term in nature and the exposure of the interest rate is minimal.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings at the end of each reporting period. The analysis is prepared assuming these borrowings outstanding at the end of reporting period were outstanding for whole year. A 100 basis points increase or decrease in HIBOR and Prime rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest for the year.

	2015 **HKD'000**	2014 HKD'000
(Increase)/decrease in post-tax loss:		
100 basis point increase	**(1,563)**	–
100 basis point decrease	**1,563**	–

(iii) Price risk

Price risk on held-for-trading investments

The Group is exposed to equity price risk through its held-for-trading investments. The Group's equity price risk is mainly concentrated on listed equity instruments quoted in respective stock exchanges. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks of held-for-trading investments at the end of reporting period.

If the prices of the respective equity instruments had been 5% higher/lower and all other variables were held constant, post-tax loss for the year ended 31 December 2015 would decrease/increase by approximately HKD281,000 (2014: Nil) as a result of the change in fair value of held-for-trading investments.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Market risk *(Continued)*

(iii) Price risk (Continued)

Price risk on derivative financial instrument

The Group is exposed to price risk through derivative financial instrument.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to price risks of derivative financial instrument at the end of reporting period.

If the prices of the respective derivative financial instrument had been 5% higher/lower and all other variables were held constant, post-tax loss for the year ended 31 December 2015 would be decrease/increase by approximately HKD97,000 and HKD110,000, respectively (2014: Nil) as a result of the change in fair value of derivative financial instrument.

Credit risk

Credit risk arises from the possibility that the counterparty to a transaction is unwilling or unable to fulfill its obligation with the results that the Group thereby suffers financial loss.

As at 31 December 2015, 100% (2014: 100%) of the trade receivables of the Group are located in Hong Kong (2014: PRC).

The carrying amounts of trade and other receivables, loan and interest receivables, loan receivable from an associate and cash and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets. The carrying amounts of these financial assets presented in the consolidated statement of financial position are net of accumulated impairment losses, if any. At 31 December 2015, the Group has concentration of credit risk as 100% (2014: 100%) of the total trade receivables was due from two debtors (2014: sole debtor).

The Group monitors trade and other receivables and loan and interest receivables and only trades and deals with creditworthy third parties. Accordingly, the Directors considered that the Group's exposure to bad debt is not significant.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables and loan and interest receivables are set out in Note 22 to the consolidated financial statements.

The credit risk on liquid fund is limited because the counterparties are bank with high credit rating assigned by international credit-rating agencies.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

Concentration risk

The Group has significant concentration risk on the largest customer as it represented 43% (2014: 38%) of the total revenue for the year ended 31 December 2015.

Liquidity risk

The Group aims at maintaining a balance between continuity of funding and flexibility through maintaining sufficient cash and bank balances. The Directors have reviewed the Group's working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The total undiscounted cash flows of each financial liability based on the earliest date on which the Company can be required to pay approximate to their carrying amounts at the end of the reporting period as follows:

	Weighted average interest rate (%)	**On demand or within one year HKD'000**	**Total contractual undiscounted cash flow HKD'000**	**Carrying amounts HKD'000**
2015				
Trade and other payables	**–**	**20,840**	**20,840**	**20,840**
Bank borrowings	**2.87%**	**192,554**	**192,554**	**187,180**
		213,394	**213,394**	**208,020**

	Weighted average interest rate (%)	On demand or within one year HKD'000	Total contractual undiscounted cash flow HKD'000	Carrying amounts HKD'000
2014				
Trade and other payables	–	21,237	21,237	21,237
Amount due to a former director	–	104	104	104
		21,341	21,341	21,341

43. FAIR VALUE MEASUREMENTS OF THE FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at 31 December 2015 HKD'000	Fair value as at 31 December 2014 HKD'000	Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs
Listed equity securities classified as held-for-trading investments in the consolidated statement of financial position	**Asset approximately 6,732**	–	Level 1	Quoted bid prices in an active market	N/A
Derivative financial instrument classified as asset in the consolidated statement of financial position	**Asset approximately 5,292**	–	Level 3	Binomial Option Pricing Model – Risk free rate, expected option period and expected volatility	Discount rate and option exercise price

There were no transfers between Level 1, 2 and 3 during the year ended 31 December 2015 (2014: N/A).

	Fair value hierarchy Level 1 HKD'000	Level 2 HKD'000	Level 3 HKD'000	Total HKD'000
2015				
Financial asset				
Held-for-trading investments	**6,732**	**–**	**–**	**6,732**
Derivative financial instrument	**–**	**–**	**5,292**	**5,292**

A increase in the option exercise price used in valuation would result in a decrease in the fair value measurement of the derivative financial instrument, and vice versa. A 5% increase/decrease in the option exercise price and holding all other variables constant would decrease/increase the carrying amount of the derivative financial instrument by HKD97,000 and HKD110,000, respectively (2014: Nil).

43. FAIR VALUE MEASUREMENTS OF THE FINANCIAL INSTRUMENTS *(Continued)*

Reconciliation of Level 3 fair value measurements of financial assets on recurring basis

	Derivative financial instrument classified as asset HKD'000
At 1 January 2015	–
Fair value change	5,292
At 31 December 2015	**5,292**

The above total gains or losses for the year recognised in profit or loss are included in the consolidated statement of profit or loss and other comprehensive income.

Except as detailed in the above table, the Directors consider that carrying amounts of financial assets and financial liabilities recognised in consolidated financial statements approximate their fair values.

44. PLEDGE OF ASSETS

At 31 December 2015, the Group's investment property with the carrying value of HKD403,000,000 (2014: Nil) has been pledged to secure the bank borrowings granted to the Group of approximately HKD187,180,000 (2014: Nil).

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2015 HKD'000	2014 HKD'000
NON-CURRENT ASSET			
Interests in subsidiaries	a	**1**	1
Interests in associates	b	**3,161**	–
		3,162	1
CURRENT ASSETS			
Other receivables, deposits and prepayments		**663**	438
Amounts due from subsidiaries	a	**326,481**	32,841
Loan to a subsidiary	c	**18,530**	33,979
Cash and bank balances		**89,134**	5,287
		434,808	72,545
CURRENT LIABILITY			
Other payables and accruals		**15,267**	15,519
NET CURRENT ASSETS		**419,541**	57,026
NET ASSETS		**422,703**	57,027
CAPITAL AND RESERVES			
Share capital		**5,778**	3,285
Reserves	d	**416,925**	53,742
		422,703	57,027

The Company's statement of financial position was approved and authorised for issue by the board of directors on 21 March 2016 and are signed on its behalf by:

Siu Yun Fat
Director

Lau Fai Lawrence
Director

Notes:

(a) The investments in subsidiaries represent cost of unlisted shares of the subsidiaries. Details of principal subsidiaries as at 31 December 2015 are shown in Note 39 to the consolidated financial statements. The amounts due from/to subsidiaries are unsecured, interest free and repayable on demand.

(b) The investments in associates represent cost of unlisted shares of the associates. Details of principal associates as at 31 December 2015 are shown in Note 18 to the consolidated financial statements.

(c) The amount is unsecured, interest bearing of 1% per month and repayable within one year.

45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes: (Continued)

(d) Reserves

	Share premium HKD'000 *(Note)*	Share options reserve HKD'000 *(Note 29)*	Accumulated losses HKD'000	Total HKD'000
At 1 January 2014	113,327	1,121	(132,367)	(17,919)
Profit and total comprehensive income for the year	–	–	8,965	8,965
Issuance of shares upon placing, net of transaction costs	17,311	–	–	17,311
Issuance of shares upon open offer, net of transaction costs	40,524	–	–	40,524
Recognition of equity-settled share-based payments	–	4,861	–	4,861
At 31 December 2014	171,162	5,982	(123,402)	53,742
Loss and comprehensive expense for the year	–	–	(64,434)	(64,434)
Exercise of share options	32,715	(3,764)	–	28,951
Issuance of shares upon placing, net of transaction costs	371,503	–	–	371,503
Recognition of equity-settled share-based payments	–	27,163	–	27,163
At 31 December 2015	**575,380**	**29,381**	**(187,836)**	**416,925**

Note:

Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Associations and provided that immediately following the distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.

46. EVENTS AFTER REPORTING PERIOD

(i) Acquisition of the entire equity interests of Chinacorp (HK) Investment Limited ("Target Company")

Pursuant to the Company's announcement dated 2 February 2016, Skypark Developments Limited ("**Skypark**"), a wholly owned subsidiary of the Company, entered into the sale and purchase agreement with Eternal Vantage Investment Limited (the "**Vendor**"), an independent third party, in relation to the proposed acquisition of 1 ordinary share of Target Company and all obligations, liabilities and debts owing or incurred by Target Company by Skypark for an aggregate consideration of HKD117,000,000, of which HKD32,000,000 will be satisfied in cash and the remaining balance of HKD85,000,000 shall be satisfied by the allotment and issue of 640,000,000 ordinary shares of the Company amounting to HKD80,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD5,000,000 to the Vendor upon completion. The long stop date is 31 May 2016. The principal business of the Target Company is property investment.

(ii) Disposal of the entire equity interests of Sky Eagle Global Limited ("Disposal Company") and its subsidiary Metro Victor Limited (collectively referred to as the "Sky Eagle Disposal Group")

Pursuant to the Company's announcement dated 4 March 2016, the Company entered into the sale and purchase agreement with Gold Mission Limited ("**Gold Mission**"), an independent third party, in relation to the proposed disposal of the entire equity interests in the Disposal Company and all obligations, liabilities and debts owing or incurred by the Disposal Company to the Company for an aggregate consideration of HKD218,000,000, of which HKD7,000,000 will be satisfied in cash, and the remaining balance of HKD211,000,000 shall be satisfied by the allotment and issue of 1,300,000,000 ordinary shares of Skyway Securities Group Limited amounting to HKD182,000,000 and the promissory notes carry interest rate at 2% per annum with a 2-year maturity amounting to HKD29,000,000 by Gold Mission upon completion. The long stop date is 15 July 2016. The principal business of the Sky Eagle Disposal Group is property investment.

Five-year Financial Summary

RESULTS

	For the Year Ended 31 December				
			(Restated)	(Restated)	(Restated)
	2015	2014	2013	2012	2011
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Revenue	**41,178**	68,821	189	91,155	171,699
Profit (loss) before taxation	**(47,274)**	4,275	(54,086)	(108,171)	197,220
Income tax credit (expense)	**(350)**	(1,560)	–	2,767	(7,174)
Profit (loss) for the year	**(47,624)**	2,715	(54,086)	(105,404)	190,046

ASSETS AND LIABILITIES

	As at 31 December				
			(Restated)	(Restated)	(Restated)
	2015	2014	2013	2012	2011
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Total assets	**639,002**	86,800	19,328	78,502	192,571
Total liabilities	**(209,787)**	(22,901)	(22,044)	(19,417)	(32,798)
Total equity (deficit)	**429,215**	63,899	(2,716)	59,085	159,773