FUTURE WORLD FINANCIAL HOLDINGS LIMITED
未來世界金融控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 572)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The board of directors (the "**Board**") of Future World Financial Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2016 together with comparative figures for the previous year as follows:

FINANCIAL SUMMARY

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2016

	Notes	**2016** *HKD'000*	2015 *HKD'000*
Revenue	*4*	**78,369**	41,178
Cost of sales		**(147)**	(28,031)
Gross profit		**78,222**	13,147
Other income	*6*	**1,143**	220
Selling and distribution expenses		**–**	(1,398)
Administrative expenses		**(20,835)**	(17,669)
Impairment loss recognised in respect of receivables from Ease Faith Limited	*12(ii)*	**–**	(17,616)
Change in fair value of held-for-trading investments		**(43,140)**	(9,037)
Change in fair value of investment property		**16,000**	6,207
Change in fair value of derivative financial instrument		**(3,799)**	5,292
Gain on disposal of subsidiaries		**113,444**	1,335
Gain on deregistration of a subsidiary		**–**	149
Share of profit/(loss) of associates		**1,830**	(240)
Share-based payment expenses		**(10,490)**	(27,163)

	Notes	2016 HKD'000	2015 HKD'000
Operating profit/(loss)		**132,375**	(46,773)
Finance costs	*7*	**(4,312)**	(501)
Profit/(Loss) before income tax	*8*	**128,063**	(47,274)
Income tax expense	*9*	**(30,612)**	(350)
Profit/(Loss) for the year		**97,451**	(47,624)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(1)**	(161)
Release of translation reserve upon deregistration of a subsidiary		**–**	(3)
Release of translation reserve upon disposal of subsidiaries		**–**	222
Other comprehensive income for the year, net of income tax		**(1)**	58
Total comprehensive income for the year		**97,450**	(47,566)
Profit/(Loss) for the year attributable to owners of the Company		**97,451**	(47,620)
Profit/(Loss) for the year attributable to non-controlling interests		**–**	(4)
		97,451	(47,624)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		**97,450**	(47,562)
Non-controlling interests		**–**	(4)
		97,450	(47,566)
Earnings/(Losses) per share attributable to owners of the Company	*11*		
– Basic		**HK1.61 cents**	(HK1.22 cents)
– Diluted		**HK1.57 cents**	N/A

Consolidated Statement of Financial Position

As at 31 December 2016

	Notes	2016 HKD'000	2015 HKD'000
Non-current assets			
Property, plant and equipment		**3,352**	2,001
Investment property		**272,000**	403,000
Interests in associates		**4,990**	3,160
Promissory notes receivable		**27,800**	–
		308,142	408,161
Current assets			
Held-for-trading investments		**310,256**	6,732
Interest in a film in progress		**12,960**	–
Trade and other receivables	*12*	**30,324**	28,683
Loan and interest receivables	*12*	**14,590**	12,020
Loan receivable from an associate		**90,000**	80,000
Derivative financial instrument		**1,493**	5,292
Cash and bank balances		**29,169**	98,114
		488,792	230,841
Current liabilities			
Accruals and other payables	*13*	**21,968**	20,840
Bank borrowings		**114,569**	187,180
Income tax payables		**31,877**	1,767
		168,414	209,787
Net current assets		**320,378**	21,054
Net assets		**628,520**	429,215
Capital and reserves			
Share capital		**6,485**	5,778
Reserves		**622,039**	423,441
Equity attributable to owners of the Company		**628,524**	429,219
Non-controlling interests		**(4)**	(4)
Total equity		**628,520**	429,215

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. GENERAL

Future World Financial Holdings Limited (formerly known as Central Wealth Financial Group 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". Further, pursuant to the special resolution passed at the extraordinary general meeting of the Company on 1 November 2016, the Company's name has been changed from "Central Wealth Financial Group Limited 中達金融集團有限公司" to "Future World Financial Holdings Limited 未來世界金融控股有限公司".

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, property investment and licensing of e-commerce platform.

The consolidated financial statements are presented in Hong Kong dollars ("**HKD**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investment property, derivative financial instrument and held-for-trading investments that are measured at fair value at the end of each reporting period, as explained in the accounting policies included in the consolidated financial statements.

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 measurement is categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement 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 in the consolidated financial statements.

New accounting policy for income from licensing of e-commerce platform

Licensing fee income is calculated monthly based on a pre-determined rate according to transaction volume through the membership points redemption online shopping platform under the brand "Future World Lifestyle" licensing by the Group and operated by the licensee.

Prior year adjustment

The directors of the Company ("Directors") have made a restatement in the comparative figures of the current year's financial statements of the Company which are summarised below. The restatement has no impact on the Company's financial position on 1 January 2015 and the Company's financial performance for the year ended 31 December 2015.

Statement of financial position of the Company as at 31 December 2015

	As previously reported 2015 *HKD'000*	Restatement *(Note)* *HKD'000*	As restated 2015 *HKD'000*
Non-current assets			
Interests in subsidiaries	1		1
Interests in associates	3,161		3,161
	3,162		3,162
Current assets			
Other receivables, deposits and prepayments	663		663
Amounts due from subsidiaries	326,481	(17,228)	309,253
Loan to a subsidiary	18,530		18,530
Cash and bank balances	89,134		89,134
	434,808		417,580
Current liabilities			
Accruals and other payables	15,267		15,267
Net current assets	419,541		402,313
Net assets	422,703		405,475
Capital and reserves			
Share capital	5,778		5,778
Reserves	416,925	(17,228)	399,697
	422,703		405,475

Note:

Prior year adjustment – recognition of shares held under share award scheme

The Company accounted for the shares held under share award scheme as at 31 December 2015 amounting to HKD17,228,000 as an increase of amounts due from subsidiaries because the shares held under the share award scheme were held by a subsidiary of the Group, as a trustee. The Directors have subsequently re-assessed the classification and considered that these shares held under the share award scheme were indeed equity in nature. The error has been corrected and the effect on the statement of financial position of the Company as at 31 December 2015 is to decrease the carrying amounts of amounts due from subsidiaries and decrease the carrying amounts of reserves by HKD17,228,000.

3. APPLICATION OF NEW AND REVISED HKFRSs

(a) Adoption of new/revised HKFRSs effective from 1 January 2016

In the current year, the Group has applied a number of amendments to HKFRSs issued by the HKICPA that are mandatorily effective for an accounting period that begins on or after 1 January 2016. These amendments have been applied by the Group for the first time in the current year unless otherwise specified.

HKAS 1 Amendments	Disclosure Initiative
HKAS 16 and HKAS 38 Amendments	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 Amendments	Agriculture: Bearer Plants
HKFRS 10, HKFRS 12 and HKAS 28 Amendments	Investment Entities: Applying the Consolidation Exception
HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle

The adoption of these new standard, amendments to standards and improvements do not have significant impact on the Group's financial performance and financial position nor any substantial changes in the Group's accounting policies and the presentation of the consolidated financial statements.

(b) New and revised HKFRSs that have been issued but are not yet effective

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in the consolidated financial statements:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 2 Amendments	Classification and Measurement of Share-based Payment Transactions[1]
HKFRS 10 and HKAS 28 (2011) Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 15 Amendments	Clarification to HKFRS 15 Revenue Contracts with Customers[1]
HKAS 7 Amendments	Disclosure Initiative[4]
HKAS 12 Amendments	Recognition of Deferred Tax Assets for Unrealised Losses[4]

[1] *Effective for annual periods beginning on or after 1 January 2018*
[2] *Effective for annual periods beginning on or after 1 January 2019*
[3] *Effective for annual periods beginning on or after a date to be determined*
[4] *Effective for annual periods beginning on or after 1 January 2017*

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 9 – Financial Instruments

HKFRS 9 has introduced new requirements for a) classification and measurement of financial assets, b) impairment of financial assets and c) general hedge accounting.

Specifically, with regard to the classification and measurement of financial assets, HKFRS 9 requires all recognised financial assets that are within the scope of HKFRS 9 to be subsequently measured at amortised cost or fair value. 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 each of the subsequent accounting periods. Debt investments 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 are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. Further, 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 nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies) in other comprehensive income, with only dividend income generally recognised in profit or loss and that cumulative fair value changes will not be reclassified to profit or loss upon derecognition of the investment.

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 a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes 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.

With regard to impairment of financial assets, HKFRS 9 has adopted an expected credit loss model, as opposed to an incurred credit loss model required under HKAS 39. In general, the expected credit loss model requires an entity to assess the change in credit risk of the financial asset since initial recognition at each reporting date and to recognise the expected credit loss depending on the degree of the change in credit risk.

With regard to the general hedge accounting requirements, HKFRS 9 retains 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 effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Group is still in the process of assessing the impact of HKFRS 9. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

HKFRS 15 – Revenue from Contracts with Customers

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related Interpretations when it becomes effective.

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

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

Under HKFRS 15, an entity recognises revenue when 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.

HKFRS 15 Amendments – Clarification to Revenue from Contracts with Customers

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

The Group is still in the process of assessing the impact of HKFRS 15. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

HKFRS 16 – Leases

HKFRS 16 will supersede the current lease guidance including HKAS 17 Leases and the related interpretations when it becomes effective.

With regard to lessee accounting, the distinction of operating leases and finance leases, as required by HKAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets. Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under HKAS 17 are presented as operating cash flows; whereas, under the HKFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

With regard to lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, HKFRS 16 requires extensive disclosures in the financial statements.

The Group is in the process of assessing the impact of HKFRS 16. The Directors believe that it is impractical to disclose the impact in these consolidated financial statements until the Group has completed the assessment.

4. REVENUE

Revenue represents the income received and receivable arising from the Group's principal activities including i) trading business and related services; ii) securities trading and investment; iii) provision of financing services; iv) property investment; and v) licensing of e-commerce platform during the year. An analysis of the Group's revenue for the year is as follows:

	2016	2015
	HKD'000	*HKD'000*
Income from trading business and related services	**–**	34,750
Income from securities trading and investments	**556**	4,804
Interest income from provision of financing services	**1,193**	1,174
Rental income from property investment	**2,918**	450
Income from licensing of e-commerce platform	**73,702**	–
	78,369	41,178

5. 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.

Since September 2016, the Group commenced the licensing of e-commerce platform as a membership points redemption online store ("**Licensing of e-commerce platform**"). The Licensing of e-commerce platform became a new operating activity of the Group and this segment is separately assessed by the chief operating decision makers. Therefore, this segment is reported as a new reportable and operating segment.

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

– Licensing of e-commerce platform

Segment revenues and results

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

	Trading business and related services		Securities trading and investment		Provision of financing services		Property investment		Licensing of e-commerce platform		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*
Revenue												
– External sales	**–**	34,750	**556**	4,804	**1,193**	1,174	**2,918**	450	**73,702**	–	**78,369**	41,178
Segment result	**(3,097)**	(18,263)	**(43,824)**	(5,600)	**1,070**	1,103	**128,091**	6,194	**71,310**	–	**153,550**	(16,566)
Unallocated corporate income											**432**	220
Unallocated corporate expenses											**(13,456)**	(9,463)
Change in fair value of derivative financial instrument											**(3,799)**	5,292
Gain on disposal of subsidiaries											**–**	746
Share of profit/(loss) of associates											**1,830**	(240)
Share-based payment expenses											**(10,490)**	(27,163)
Finance costs											**(4)**	(100)
Profit/(Loss) before income tax											**128,063**	(47,274)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned/(loss from) 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 profit/(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:

	2016	2015
	HKD'000	*HKD'000*
Segment assets		
Trading business and related services	**724**	28,527
Securities trading and investment	**313,576**	8,047
Provision of financing services	**20,027**	16,406
Property investment	**271,951**	404,976
Licensing of e-commerce platform	**54,536**	–
Total segment assets	**660,814**	457,956
Unallocated corporate assets	**136,120**	181,046
Consolidated assets	**796,934**	639,002
Segment liabilities		
Trading business and related services	**1,017**	6,077
Securities trading and investment	**150**	80
Provision of financing services	**260**	230
Property investment	**115,610**	188,130
Licensing of e-commerce platform	**1,149**	–
Total segment liabilities	**118,186**	194,517
Unallocated corporate liabilities	**50,228**	15,270
Consolidated liabilities	**168,414**	209,787

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		Licensing of e-commerce platform		Unallocated		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*	***HKD'000***	*HKD'000*
Amounts included in the measure of segment profit or loss or segment assets:														
Addition to property, plant and equipment	**20**	7	**2,690**	800	**–**	–	**–**	–	**–**	N/A	**–**	120	**2,710**	927
Addition to intangible asset	**–**	46	**–**	–	**–**	–	**–**	–	**–**	N/A	**–**	–	**–**	46
Acquisition of investment property through acquisition of a subsidiary	**–**	–	**–**	–	**–**	–	**256,000**	396,793	**–**	N/A	**–**	–	**256,000**	396,793
Disposal of investment property through disposal of subsidiaries	**–**	–	**–**	–	**–**	–	**(403,000)**	–	**–**	N/A	**–**	–	**(403,000)**	–
Acquisition of property, plant and equipment through acquisition of a subsidiary	**–**	–	**–**	–	**–**	–	**84**	904	**–**	N/A	**–**	–	**84**	904
Disposal of property, plant and equipment through disposal of subsidiaries	**–**	–	**–**	–	**–**	–	**(626)**	–	**–**	N/A	**–**	(120)	**(626)**	(120)
Disposal of intangible assets through disposal of subsidiaries	**–**	(41)	**–**	–	**–**	–	**–**	–	**–**	N/A	**–**	–	**–**	(41)
Depreciation of property, plant and equipment	**188**	185	**321**	67	**–**	–	**258**	37	**–**	N/A	**–**	–	**767**	289
Impairment loss recognised in respect of receivables from Ease Faith limited	**–**	17,616	**–**	–	**–**	–	**–**	–	**–**	N/A	**–**	–	**–**	17,616
Change in fair value of held-for-trading investments	**–**	–	**43,140**	9,037	**–**	–	**–**	–	**–**	N/A	**–**	–	**43,140**	9,037
Change in fair value of investment property	**–**	–	**–**	–	**–**	–	**(16,000)**	(6,207)	**–**	N/A	**–**	–	**(16,000)**	(6,207)
Finance costs	**–**	–	**–**	15	**–**	–	**4,290**	401	**18**	N/A	**4**	85	**4,312**	501
Gain on disposal of subsidiaries	**–**	(589)	**–**	–	**–**	–	**(115,344)**	–	**–**	N/A	**–**	(746)	**(115,344)**	(1,335)
Gain on deregistration of a subsidiary	**–**	(149)	**–**	–	**–**	–	**–**	–	**–**	N/A	**–**	–	**–**	(149)
Income tax expense	**(67)**	170	**(21)**	–	**–**	180	**19,000**	–	**11,700**	N/A	**–**	–	**30,612**	350
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	**(4)**	(12)	**(1)**	(1)	**(1)**	(3)	**(1)**	(1)	**(1)**	N/A	**(274)**	(44)	**(282)**	(61)
Share of (profit)/loss of associates	**–**	–	**–**	–	**–**	–	**–**	–	**–**	N/A	**(1,830)**	240	**(1,830)**	240
Change in fair value of derivative financial instrument	**–**	–	**–**	–	**–**	–	**–**	–	**–**	N/A	**3,799**	(5,292)	**3,799**	(5,292)

Geographical information

The Group's operations are located in Hong Kong for the years ended 31 December 2016 (2015: Hong Kong and the PRC). Information about the geographical analysis of the Group's revenue from external customers is presented based on the location of customers. Information about the geographical analysis of the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		**Non-current assets**	
	2016	2015	**2016**	2015
	HKD'000	*HKD'000*	***HKD'000***	*HKD'000*
Hong Kong	**78,369**	35,912	**280,342**	408,161
The PRC	**–**	5,266	**–**	–
	78,369	41,178	**280,342**	408,161

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

	2016	2015
	HKD'000	*HKD'000*
A[1]	**73,703**	–
B[2]	**–**	17,620
C[2]	**–**	11,864

1 *Revenue from Licensing of e-commerce platform*

2 *Revenue from trading business and related services*

6. OTHER INCOME

	2016	2015
	HKD'000	*HKD'000*
Interest income on promissory note	**270**	–
Interest income on bank deposits	**12**	26
Interest income on time deposit	**–**	35
Imputed interest income on promissory notes receivable	**700**	–
Net foreign exchange gains	**–**	156
Sundry income	**161**	3
	1,143	220

7. FINANCE COSTS

	2016	2015
	HKD'000	*HKD'000*
Interest expenses on:		
Bank borrowings	**4,283**	401
Promissory notes	**–**	82
Others	**29**	18
	4,312	501

8. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(Loss) before income tax has been arrived at after charging:

	2016	2015
	HKD'000	*HKD'000*
Directors' and chief executive's emoluments, including share-based payment expenses of HKD5,790,000 (2015: HKD9,256,000)	**10,659**	12,455
Other staff costs	**2,634**	3,701
Contributions to retirement benefits scheme	**69**	463
Share-based payment expenses for employees	**4,700**	3,014
Total staff costs	**18,062**	19,633
Auditors' remuneration:		
– Audit services	**2,607**	520
– Other services	**700**	560
Cost of inventories recognised as an expense	**–**	27,187
Depreciation of property, plant and equipment	**767**	289
Amortisation of intangible assets	**–**	5
Minimum lease payments in respect of operating leases of:		
– Internet hardware and software	**–**	544
– Premises	**1,027**	1,729
Direct operating expenses arising from investment property that generated rental income during the year	**148**	350
Share-based payment expenses for consultants	**–**	14,893

9. INCOME TAX EXPENSE

	2016	2015
	HKD'000	*HKD'000*
Current tax:		
Tax for the year:		
– Hong Kong Profits Tax	**30,700**	340
– PRC Enterprise Income Tax	**–**	10
	30,700	350
Over-provision in respect of prior years	**(88)**	–
	30,612	350

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. 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.

3) At the end of the reporting period, the Group had unused tax losses of approximately HKD9,508,000 (2015: HKD6,715,000) 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. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2016, nor has any dividend been proposed since the end of the reporting period (2015: Nil).

11. EARNINGS/(LOSSES) PER SHARE

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

	2016	2015
	HKD'000	*HKD'000*
Profit/(Loss) for the year attributable to owners of the Company for the purpose of basic and diluted earnings/(losses) per share	**97,451**	(47,620)

Number of shares

	2016	2015
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings/(losses) per share	**6,053,237**	3,888,134
Effect of dilutive potential ordinary shares:		
Share options issued by the Company *(Note)*	**136,984**	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings/(losses) per share	**6,190,221**	3,888,134

Note:

The computation of diluted loss per share for the year ended 31 December 2015 did 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.

12. TRADE AND OTHER RECEIVABLES/LOAN AND INTEREST RECEIVABLES

	Notes	**2016** **HKD'000**	2015 HKD'000
Trade receivables	*(i)*	**23,347**	24,954
Receivable from Ease Faith Limited	*(ii)*	**17,616**	17,616
Less: allowance for doubtful debts		**(17,616)**	(17,616)
		–	–
Other receivables, deposits and prepayments		**6,977**	3,729
Total trade and other receivables		**30,324**	28,683
Loan and interest receivables (including interest receivables of approximately HKD590,000 (2015: HKD20,000))	*(iii)*	**14,590**	12,020

Notes:

(i) Trade receivables

As at 31 December 2016, trade receivables comprise amounts receivable from licensing of e-commerce platform (2015: 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 2016, the Group generally allows an average credit period of 15-30 days (2015: 120 days) to its customers. The following is an ageing analysis of trade receivables net of allowance for doubtful debts presented based on the invoice dates, which approximated the respective revenue recognition dates:

	2016	2015
	HKD'000	*HKD'000*
0 – 30 days	**23,347**	–
31 – 60 days	**–**	16,210
61 – 90 days	**–**	–
91 – 120 days	**–**	8,744
	23,347	24,954

At 31 December 2016 and 31 December 2015, the directors considered that no impairment is necessary as the receivables are 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 any of its trade receivables as at 31 December 2016 and 31 December 2015.

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

Following the suspension of the position, functions and duties held by Mr. He Jianhong ("**Mr. He**"), the former chairman and executive director of the Company, 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 Company noted that, Great Rich Trading Limited ("**Great Rich**"), a wholly-owned subsidiary of the Company, entered into two purchases contracts with Ease Faith to purchase raw materials for the purpose of trading (the "**Purchases Contracts**") and paid a deposit of approximately HKD17,616,000 (the "**Receivable from Ease Faith**"). 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 as the plaintiff claiming against Ease Faith, the supplier, as the defendant, for breach of the Purchases Contracts or unjust enrichment on 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 14(b).

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

	2016	2015
	HKD'000	*HKD'000*
At 1 January	**17,616**	–
Impairment loss recognised	**–**	17,616
At 31 December	**17,616**	17,616

(iii) Loan and interest receivables

The loan receivables are unsecured, bear fixed interest rate at 8%-10% (2015: 1.5%) per annum and repayable according to the respective 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 maturities, is as follows:

	2016	2015
	HKD'000	*HKD'000*
Within 1 year	**14,590**	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, ageing analysis of accounts and on management's judgement, 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 advanced a loan to an independent third party amounting to HKD4,000,000 which bore interest at a fixed rate of 1.5% per annum. The balance was unsecured and initially 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 became a shareholder of the Company. As at 31 December 2015, included in the loan and interest receivables was an amount due from a shareholder of HKD4,005,000. The amount has been settled in full during the year.

During the year ended 31 December 2016, 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 (2015: Nil).

13. ACCRUALS AND OTHER PAYABLES

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

(i) The amount due to the spouse of Mr. He of HKD310,000 as at 31 December 2016 and 31 December 2015; and

(ii) The amount due to Able Success Asia Limited ("**Able Success**"), the entire issued share capital of which is beneficially owned by Mr. He, of approximately HKD15,264,000 as at 31 December 2016 and 31 December 2015.

14. 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**").

As disclosed in the announcement of the Company dated 25 April 2016, the High Court action in relation to the Claim filed by GMRC against the Company has been discontinued as on an entirely without admission of liability basis, the Company and GMRC reached a final settlement of the Claim. Therefore, the Directors are of the view that the Claim by GMRC will not have any material adverse impact on the overall business operation and financial position of the Group.

* *For identification purpose only*

b) **Disputes for receivables from Ease Faith**

As detailed in Note 12(ii), 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, as the defendant, for breach of the Purchases 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 the year ended 31 December 2015, the Directors considered that the possibility of Great Rich recovering the outstanding Receivable from Ease Faith was remote. Therefore, impairment loss of approximately HKD17,616,000 has been recognised during the year ended 31 December 2015.

15. EVENT AFTER THE REPORTING PERIOD

On 13 January 2017, the Group terminated the license agreement dated 23 September 2016, entered into between a subsidiary of the Group and the Group's major customer in relation to the licensing of e-commerce platform. Subsequent to the termination, the Group entered into a memorandum of understanding with the major customer in relation to explore another mode of co-operation. As of the date of the approval of the consolidated financial statements, the liaison between the Group and the major customer is still in progress.

On the same date, the Group also entered into a supplementary agreement with the major customer that the Group agreed to bear the design and decoration cost of display store for promotion of the e-commerce platform up to an amount, in aggregate, not more than HKD$30,000,000 by end of 31 December 2018.

EXTRACT OF THE INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's audited consolidated financial statements for the year ended 31 December 2016 which has included a disclaimer of opinion:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements, and whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

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

As at 31 December 2016, included in other payables was a balance of approximately HKD15,264,000 (2015: 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 was 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 2016. Any adjustments to the matter would have a consequential effect on the Group's consolidated statement of financial position as at 31 December 2016, its financial performance and the related elements making up the consolidated statement of changes in equity, the consolidated statement of cash flows and the related disclosures in the consolidated financial statements for the year ended 31 December 2016.

(b) Scope limitation – Prior year's audit scope limitation affecting opening balances and corresponding figures

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another auditor whose report dated 21 March 2016 expressed a disclaimer of opinion in respect of the matters described in (a) above and (i) below.

The predecessor auditor was unable to obtain sufficient appropriate audit evidence to ascertain the matters described in (a) above and (i) below:

(i) Provision for impairment of other receivable

As set out in Note 12(ii) to this announcement, the directors were of the view that the Group was less likely to recover the outstanding balance due from Ease Faith Limited amounting to approximately HKD17,616,000 and therefore, full provision for impairment of this amount had been provided for the year ended 31 December 2015. However, the predecessor auditor had been unable to obtain sufficient appropriate audit evidence to satisfy themselves as to the accuracy of such other receivable as at 31 December 2013 and 2014.

In relation to the above matter (i), the provision for impairment of other receivable has no effect to the opening balance as at 1 January 2016, closing balance as at 31 December 2016 and the results for the year ended 31 December 2016.

Because of the unavailability of reliable financial information, we were unable to obtain sufficient appropriate audit evidence and were unable to carry out alternative audit procedures to satisfy ourselves about the provision for impairment of other receivable during the year ended 31 December 2015. Any adjustments to this matter would have a consequential effect on the provision for impairment of other receivable, and the related elements making up the consolidated statement of changes in equity, the consolidated statement of cash flows and the related disclosures in the consolidated financial statements for the year ended 31 December 2015. The comparative figures presented in the consolidated financial statements for the year ended 31 December 2016 may not be comparable with the figures for the current reporting period.

Emphasis of Matter

We draw attention to Note 15 this announcement, which describes an event after the reporting period relating to the Group. Our opinion is not disclaimed in respect of this matter.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another auditor who expressed a disclaimer of opinion as described above, on those statements on 21 March 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

The consolidated net profit attributable to owners of the Company for the year ended 31 December 2016 was approximately HKD97,451,000 equivalent to earnings of Hong Kong 1.61 cents per share, compared with a loss of HKD47,620,000, equivalent to losses of Hong Kong 1.22 cents per share for last year. The profit was mainly attributed to (i) net profit of approximately HKD71,310,000 from the new e-commerce business segment; and (ii) gain on disposal of approximately HKD113,444,000 of a subsidiary which indirectly held an investment property in Hong Kong.

In regard to the operational front, the Group recorded a revenue of approximately HKD78,369,000 for the year ended 31 December 2016 (2015: HKD41,178,000). The increase in revenue was mainly resulted from the development of the new e-commerce business.

E-commerce business

In September 2016, Sky Faith International Investment Limited ("**Sky Faith**"), a direct wholly-owned subsidiary of the Company entered into a license agreement (the "**License Agreement**") with a licensee (the "**Licensee**") in relation to the operation of the e-commerce platform (the "**E-Platform**") as a membership points redemption online store which allows the users thereof to use their membership points to acquire goods and/or services on the E-Platform with the relevant merchants, suppliers, traders and/or service providers lined up by the Licensee.

During the year ended 31 December 2016, the revenue for the E-platform amounted to approximately HKD73,702,000 and a profit of approximately HKD71,310,000 was recorded.

On 13 January 2017, Sky Faith and the Licensee have entered into a termination agreement, pursuant to which both parties have agreed to terminate the License Agreement and the transactions contemplated thereunder with effect on 1 January 2017 (the "**Termination**"). Pursuant to a supplementary promotion agreement to the License Agreement, Sky Faith agreed to bear the design and decoration costs of display store for promotion of the E-Platform up to the amount, in aggregate, not more than HKD30,000,000 by end of 31 December 2018. Subsequent to the Termination and after further arm's length negotiations, Future Fintech Limited, an indirect wholly-owned subsidiary of the Company entered into a memorandum of understanding ("**MOU**") with the Licensee in relation to providing technical support for blockchain application technology and setting up business system to the Licensee on online shopping platform on 26 January 2017. Up to the date of this announcement, no formal agreement has been signed.

Treasury Business

The treasury business includes securities trading and money lending business.

Securities trading business

The Group's securities trading portfolio comprised of securities listed on the Stock Exchange during the year ended 31 December 2016. 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 2016, the revenue, which included dividend income on investment in listed equity securities, from trading securities and investment decreased to approximately HKD556,000 (2015: approximately HKD4,804,000) as the Group did not realise any gain or loss on investment. As a whole, the segment recorded a loss of approximately HKD43,824,000 (2015: approximately HKD5,600,000).

The Group made a net unrealised losses of investment at fair value through profit or loss of approximately HKD43,140,000 (2015: approximately HKD9,037,000). Approximately 69% and 29% of the unrealised loss was attributable to the Group's investment in securities of Skyway Securities Group Limited ("**Skyway**") and China Soft Power Technology Holdings Limited ("**China Soft Power**") respectively. Details of the investment in Skyway and China Soft Power are as follows:

	For the year ended 31 December 2016		At 31 December 2016			At 31 December 2015
	Fair value loss	Approximate percentage of fair value loss on held-for-trading investments	Market value	Approximate percentage of held-for-trading investments	Approximate percentage of the net assets	Market value
	HKD'000		*HKD'000*			*HKD'000*
Skyway	32,500	69%	266,500	33%	42%	N/A *(Note)*
China Soft Power	13,844	29%	6,466	1%	1%	6,732
	46,344	98%	272,966	34%	43%	6,732

Note:

The Group did not hold any share of Skyway as at 31 December 2015.

The investment in securities of Skyway is obtained through the receipt of consideration shares which is part of the consideration from the disposal of Sky Eagle Global Limited ("**Sky Eagle**"), a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company. Details of the disposal of Sky Eagle are stated on page 31 under Investment Property section. Skyway is principally engaged in the businesses of supply and procurement of commodities, provision of brokerage service and securities margin financing, provision of futures and options contracts dealing services, provision of finance and securities investments and real estate. The Company is optimistic on the prospect of the securities industry in Hong Kong and the business prospect of Skyway.

China Soft Power is principally engaged in investment holdings, trading and distribution of electronic and accessory products and other merchandise, financial investments and trading, money lending business, construction of submarine cable system and the research and development of integrated circuit technology, information and bid data technology. The Directors hold positive views towards the prospect of China Soft Power.

As at 31 December 2016, the Group held an investment portfolio with market value of approximately HKD310,256,000 (2015: approximately HKD6,732,000). Except for the investment in Skyway, at 31 December 2016, there was no investment held by the Group which value was more than 5% of the net assets of the Group.

Money lending business

A wholly-owned subsidiary of Group, Globally Finance Limited ("**Globally Finance**"), which held the Money Lenders License in Hong Kong since early of 2015, carried a licensed money lending business in Hong Kong. During the year ended 31 December 2016, Globally Finance generated revenue of approximately HKD1,193,000 (2015: approximately HKD1,174,000) and recorded a profit of approximately HKD1,070,000 (2015: approximately HKD1,103,000).

Investment property

The Group first acquired a luxury residential property in Hong Kong in August 2015 and intends to expand its investment property portfolio with an aim to generate future economic benefits by earning rentals and/or for capital appreciation,

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 "**Vendor**") 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. The acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules. The acquisition was completed in July 2016. For more information of which, please refer to the Company's announcement and circular dated 2 February 2016 and 31 May 2016 respectively.

Chinacorp is a company incorporated in Hong Kong and is currently holding a luxury residential property located at No. 19, Cumberland Road, Kowloon, Hong Kong. The details of the investment property as follow:

Location	Group Interest	Category of lease	Use
No. 19, Cumberland Road, Kowloon, Hong Kong (New Kowloon Inland Lot No. 692)	100%	Medium term	Residential

However, the slowing economic development in Hong Kong and reducing demand and keen competition on luxury residential properties, which put pressures on higher rental vacancy as well as reduction in property prices in the luxury residential market. The Board considers better to lower the Group's risk exposure on investments in luxury residential properties.

On 4 March 2016, the Company entered into a sale and purchase agreement with Gold Mission Limited (the "**Purchaser**") in relation to the disposal of the entire equity interests in Sky Eagle and all obligations, liabilities and debts owing or incurred by Sky Eagle 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 the 1,300,000,000 ordinary shares of Skyway 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 the Purchaser upon completion. Sky Eagle wholly owns a company incorporated in Hong Kong, which in turn holds a luxury residential property located at No. 2, Lincoln Road, Kowloon, Hong Kong. The disposal was completed in July 2016. The Group recorded a gain on disposal of approximately HKD113,444,000. The disposal constitutes a very substantial disposal on the part of the Company under Chapter 14 of the Listing Rules. For more information of which, please refer to the Company's announcement and circular dated 4 March 2016 and 21 June 2016 respectively. The Company considers that the disposal is a prudent decision to avoid putting all eggs in the same basket due to the uncertainties in the luxury residential leasing market and risk of reduction in property prices.

During the year ended 31 December 2016, the Group recorded rental income of approximately HKD2,918,000 (2015: approximately HKD450,000) and fair value gain of approximately HKD16,000,000 (2015: approximately HKD6,207,000) arising from change in fair value of investment property from the property investment segment.

In the coming year, the Group will continue to look for additional opportunity to acquiring additional properties in Hong Kong to earn stable recurring income and cash flow and/or for capital appreciation.

Investment in film industry

On 12 July 2016, China Wisdom Group Limited ("**China Wisdom**"), a wholly owned subsidiary of the Company, entered into a film agreement (the "**Film Agreement**") with an independent third party (the "**Third Party**") in relation to the investment in a film project (the "**Film**") tentatively known as "Girls 2"(《閨蜜2》). Pursuant to the Film Agreement, China Wisdom will invest RMB12,000,000 (equivalent to approximately HKD14,400,000) in cash for investment in the Film. As at 31 December 2016, China Wisdom invested RMB10,800,000 (equivalent to approximately HKD12,960,000) in cash for investment in the Film. The investment sum of China Wisdom was determined after arm's length negotiations after taking into consideration of, among others, the proposed total production costs, the box office and the prospects of the Film. After the Film is on screen in the PRC for three months, the Third Party shall provide relevant information regarding the box office revenue of the Film. The Third Party shall pay China Wisdom the relevant part of investment return.

The PRC film industry has experienced strong and consistent growth in recent years. The Company considers that the entering into of the Film Agreement will allow the Group to have a stake in the Film as a passive investor whilst the Group needs not to invest the whole Film project on its own account or to involve in the production of the Film. The Film is targeted for release in the second half of 2017.

Trading business and related services

Due to continuous adverse market conditions and the low profit margin in the trading business and as the Directors would like to concentrate more on E-commerce business and the business of provision of financing services and properties investment that yield a much higher profit margin, no revenue was generated from this business during the year ended 31 December 2016 as compared with approximately HKD34,750,000 of revenue generated in the last year. For the year ended 31 December 2016, a loss of approximately HKD3,097,000 (2015: HKD18,263,000) was recorded for the segment of trading business and related services.

Interests in associates – Securities brokerage

The Group invested in securities brokerage business in Hong Kong through investment in associates, Central Wealth Securities Investment Limited ("**CWSI**") and Central Wealth Futures Limited ("**CWF**"). CWSI and CWF are incorporated in Hong Kong with limited liability and are wholly owned by Instant Achieve Limited ("**IAL**"), which in turn is owned as to 34% by the Group as at 31 December 2016. IAL, CWSI and CWF (collectively referred to as "**Instant Achieve Group**") are treated as associates of the Group and the Company adopted equity accounting method in preparing the consolidated financial statements of the Group.

During the year ended 31 December 2016, Instant Achieve Group recorded a profit of approximately HKD5,384,000 (2015: loss of approximately HKD707,000) and the share of profit of associates by the Group was approximately HKD1,830,000 (2015: share of loss of 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 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 2016, Globally Finance has provided a sum of HKD90,000,000 of loan to financing IAL. For more information of which, 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 loss 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 HKD3,799,000 (2015: fair value gain of approximately HKD5,292,000) was recorded through profit and loss from Call Option during the year ended 31 December 2016.

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 for retaking control of two deconsolidated subsidiaries of the Company, namely Bloxworth Enterprises Limited and Shanxi Zhanpen Metal Products Co., Ltd（山西展鵬金屬製品有限公司）("**Zhanpen**"). The Group deconsolidated such two subsidiaries from its consolidated financial statements since 1 January 2013 due to the reason of not able to obtain and access their books and records. Further details are set out in the annual reports of the Company for the years ended 31 December 2013, 2014 and 2015 respectively.

Upon the judgement of the People's court of Fenyang county（汾陽市人民法院）(the "**Court**") issued on 12 September 2016, former directors of Zhanpen (the "**Former Directors**") are obliged to return the official seal and business certificates of Zhanpen to the Group. The Former Directors filed an appeal to the Court on 23 September 2016. After seeking legal advice from its external legal counsel, the Group has also filed an appeal to the Court on 8 October 2016. The court case has been heard on 21 February 2017. Up to the date of this announcement, the Court has not yet issued any judgement.

PROSPECTS AND OUTLOOK

The Group has achieved good progress both strategically and financially over the past year. The strategic expansion to e-commerce business laid a solid foundation towards the Group's long-term sustainability and competitiveness. The Group has setup a wholly owned subsidiary to develop blockchain application technology and engaged certain specialists to facilitate and further develop the Group's e-commerce business. Blockchain applications are wide ranging and this technology is transforming the way data is handled and stored. Blockchain can be used to record the transfer of any digital assets, ownership of physical and intellectual property, and establish rights through smart contracts, among a wide range of other possible applications. The Board looks forward to the implementation of blockchain technology in e-commerce and financial services and its potential uses across various industries. The Company plans to provide such blockchain application technology/service to existing and potential clients for their business/ecosystem. There shall be new and emerging opportunities for organisations in all sectors to create and deliver compelling services for their customers using such powerful innovation.

Apart from the new business initiative, the Group will continue to devote resources to bolstering its existing businesses including securities trading and money lending business as well as the property investment, which are subject to numerous uncertainties and sharp contradictions underlying the macro environment and the global economy during the year. Challenges including slowing global economy, potential risks associated with monetary easing policies in major developed countries, along with the impact of Brexit after the EU referendum are likely to continue weighing on the global economy and lead to volatility in the financial markets.

The Federal Reserve raised the Federal Funds Rate by 0.25% in March 2017, the third time in fifteen months since the financial crisis in 2008. The speculation about more interest rate hike in the United States, the increasing supply of new residential premises and the possibility of further property cooling measures imposed by the Hong Kong Government may create uncertainties to the property market in Hong Kong. However, the Group is still confident about the medium– to long-term development of the property market in Hong Kong benefited from the continuing prevalence of low interest rate of mortgage and stable demand for property purchases.

In the PRC, the annual Gross Domestic Product (GDP) increased by 6.7%, compared with 6.9% in 2015, marking its slowest growth since 1990. Meanwhile, the annual GDP of Hong Kong increased modestly by 1.9%, compared with 2.4% in 2015. Coupled with the slowdown in economic growth and the increase in compliance related and system related costs in meeting the regulatory and supervisory requirements, commercial banks became more conservative in lending to individuals and small and medium-sized enterprises. They then turn to access credit with non-bank money lenders. Besides, both Hong Kong and the PRC stock market experienced a high level of volatility in 2016. The Shenzhen-Hong Kong Stock Connect has been launched in December 2016, making it the second cross-border trading scheme between the PRC and Hong Kong after the commencement of the Shanghai-Hong Kong Stock Connect in 2014. Seizing the above opportunities may present enormous potential for our growth in securities trading and money lending businesses.

Notwithstanding the above difficult operating environment and uncertain economic conditions, the Group will strive to strengthen and build on its existing core businesses while continue to seek sustainable business expansion and market penetration broaden its income stream, and to delivering long-term value to our shareholders.

LIQUIDITY, FINANCIAL, RESOURCES AND FUNDING

The Group had total cash and bank balances of approximately HKD29,169,000 as at 31 December 2016 (2015: HKD98,114,000). The Group had total bank borrowings of approximately HKD114,569,000 as at 31 December 2016 (2015: HKD187,180,000). The bank borrowings were bearing floating interest rates. The gearing ratio, which is calculated as bank borrowings divided by total equity, was 18.2% (2015: 43.6%). Net assets were approximately HKD628,520,000 (2015: HKD429,215,000).

The Group has total current assets of approximately HKD488,792,000 as at 31 December 2016 (2015: HKD230,841,000) and total current liabilities of approximately HKD168,414,000 (2015: HKD209,787,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 2.90 as at 31 December 2016 (2015: 1.10). The current ratio continues to maintain at a healthy condition.

The Group's finance costs for the year was approximately HKD4,312,000 (2015: HKD501,000) and was mainly related to interests paid on the bank borrowings and promissory notes.

The Group recorded a net profit attributable to owners of the Company of approximately HKD97,451,000 (2015: loss of HKD47,620,000).

Pledge of Assets

At 31 December 2016, the Group's investment property, with carrying amount of HKD272,000,000 (2015: HKD403,000,000), has been pledged to secure the bank borrowings granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group had 18 employees (2015: 11 employees situated in Hong Kong) situated in Hong Kong, Malaysia and Taiwan. The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the year ended 31 December 2016, the total staff costs including remuneration of directors and chief executive amounted to approximately HKD18,062,000 (2015: HKD19,633,000).

DIVIDEND

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 2016, 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 30,544,000 shares of the Company at a total consideration of HKD19,392,000.

SCOPE OF WORK OF MOORE STEPHENS CPA LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, Moore Stephens CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Moore Stephens CPA Limited in respect of this announcement did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore Stephens CPA Limited on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee of the Company has met the external auditor of the Company, Moore Stephens CPA Limited ("**Moore Stephens**") and reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2016.

CORPORATE GOVERNANCE

The Company has complied with all code provisions of the Corporate Governance Code (the "**CG Code**") during the year ended 31 December 2016 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 should be separate and should not be performed by the same individual. During the period from 1 January 2016 to 18 September 2016, the Chairman of the Board, Mr. Siu Yun Fat, was also the chief executive officer of the Company. However, following the appointment of Mr. Liu Steven Qiang as the Company's chief executive officer, Mr. Siu ceased to act in this function with effect from 19 September 2016, but he remains the Chairman of the Board. This segregation provides a clear distinction between the roles of the Chairman and the chief executive officer with their respective responsibilities clearly stipulated in writing.

Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term. Two independent non-executive Directors, namely Mr. Siu Siu Ling, Robert and Mr. Tam Tak Wah are appointed with no specific term. All independent non-executive Directors are subject to the requirement to retire by rotation at least once every three years. The Board considers that the requirement has the same effect of accomplishing the same objective as a specific term of appointment.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 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 2016.

CHANGE OF AUDITORS

References are made to the announcements of the Company dated 22 and 23 March 2017 (the "**Announcements**") in relation to the change of auditors of the Company. Due to the further proposal to extend audit work and perform IT audit on the system of the E-Platform by the previous auditors and no mutually agreed solutions to the Unresolved Issues, Asian Alliance resigned as auditors of the Company with effect from 22 March 2017. Moore Stephens has been appointed as the auditor of the Company with effect from 22 March 2017 to fill the causal vacancy and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

The Company's Position

First of all, the Company would like to point out that the E-Platform is solely operated by the Licensee and not the Group. To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Licensee and its ultimate beneficial owner(s) are independent third parties and not connected with the Group under the Listing Rules. The Unresolved Issues are testing findings in relation to the products redemption transaction through the E-Platform operation solely run by the Licensee and between its suppliers and customers. Given that the Licensee is merely a business party of the Group, the Group has no control over the operations of the Licensee, not to mention the Licensee's relationship with its own suppliers and customers. From the perspective of the Company, the Board considers that greater focus should be placed on the entitlement of license fee income generated from E-Platform rather than the Unresolved Issues relating to system configuration, technology know-how, operation, transaction patterns and internal control of the Licensee and the E-Platform.

The Board would like to emphasize that, all relevant license fee income has been duly collected and has been recorded as revenue in the consolidated financial statement for the year ended 31 December 2016 of the Group. Practically after the Termination, the Board considers that the business, operations and financial positions of the Group have not been materially and adversely affected by the Unresolved Issues. Further, notwithstanding Asian Alliance's suggestion, the Board considers that an independent investigation committee to follow up the Unresolved Issues to be unnecessary in this stage.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Stock Exchange at www.hkexnews.hk and on the website of the Company at www.fw-fh.com. The annual report of the Company for year ended 31 December 2016 containing the information required by Appendix 16 of the Listing Rules will be dispatched to the shareholders of the Company in due course.

By order of the Board
Future World Financial Holdings Limited
Liu Steven Qiang
Executive Director and Chief Executive Officer

Hong Kong, 31 March 2017

As at the date of this announcement, the Board comprises (i) five executive Directors, namely Mr. Siu Yun Fat, Mr. Liu Steven Qiang, Ms. Cheng So Sheung, Mr. Lau Fai Lawrence and Mr. Yu Qingrui; and (ii) four independent non-executive Directors, namely Mr. Cheng Yong Yau, Mr. Siu Siu Ling, Robert, Mr. Tam Tak Wah and Mr. Michael John Viotto.