FINSOFT FINANCIAL INVESTMENT HOLDINGS LIMITED

匯財金融投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8018

Annual Report **2015**

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

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

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

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Li Hoi Kong
Mr. Lawrence Tang

Chairman and non-executive Director

Mr. Chan Sek Keung, Ringo

Independent non-executive Directors

Ms. Lee Kwun Ling, May Jean
Mr. Yuen Shiu Wai
Mr. Lam Kai Yeung (appointed on 24 June 2015)
Mr. Tai Man Hin, Tony (retired on 5 May 2015)
Mr. Chan Yee Por, Simon (appointed on 23 March 2015 and resigned on 24 June 2015)
Mr. Cheng Wen (appointed on 23 March 2015 and resigned on 30 September 2015)

BOARD COMMITTEES

Audit Committee

Mr. Lam Kai Yeung *(Chairman)* (appointed on 24 June 2015)
Ms. Lee Kwun Ling, May Jean
Mr. Yuen Shiu Wai
Mr. Chan Yee Por, Simon (appointed on 23 March 2015 and resigned on 24 June 2015)
Mr. Cheng Wen (appointed on 23 March 2015 and resigned on 30 September 2015)
Mr. Tai Man Hin, Tony (retired on 5 May 2015)

Nomination Committee

Mr. Chan Sek Keung, Ringo *(Chairman)*
Ms. Lee Kwun Ling, May Jean
Mr. Yuen Shiu Wai

Remuneration Committee

Mr. Yuen Shiu Wai *(Chairman)*
Ms. Lee Kwun Ling, May Jean
Mr. Li Hoi Kong

Compliance Committee

Mr. Li Hoi Kong *(Chairman)*
Mr. Lawrence Tang
Ms. Law Hau Yan (resigned on 23 March 2015)
Mr. Cheng Wen (appointed on 23 March 2015 and resigned on 30 September 2015)
Mr. Tai Man Hin, Tony (retired on 5 May 2015)

COMPLIANCE OFFICER

Mr. Li Hoi Kong

AUTHORISED REPRESENTATIVES

Mr. Li Hoi Kong
Mr. Lawrence Tang (appointed on 9 June 2015)
Ms. Yeung Wai Man, *CPA* (appointed on 1 February 2015 and resigned on 9 June 2015)

COMPANY SECRETARY

Ms. Wong Kei Lam, *CPA* (appointed on 1 February 2016)
Mr. Lam Kit Sun, *CPA* (resigned on 1 February 2015)
Ms. Yeung Wai Man, *CPA* (appointed on 1 February 2015 and resigned on 9 June 2015)
Ms. Law Hau Yan, *CPA* (appointed on 9 June 2015 and resigned on 1 February 2016)

AUDITORS

HLB Hodgson Impey Cheng Limited
31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central, Hong Kong

COMPLIANCE ADVISER

Ample Capital Limited
Unit A, 14th Floor
Two Chinachem Plaza
135 Des Voeux Road Central
Central, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Dah Sing Bank Limited
DBS Bank (Hong Kong) Limited

HEADQUARTERS, HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

23/F, W Square
318 Hennessy Road
Wanchai, Hong Kong

REGISTERED OFFICE

Clifton House, 75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
A18/F., Asia Orient Tower
Town Place, 33 Lockhart Road
Wanchai, Hong Kong
(which will be relocated to Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong with effect from 5 April 2016)

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

8018

COMPANY'S WEBSITE

www.finsofthk.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Finsoft Financial Investment Holdings Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2015 (the "Year").

For the Year under review, the Group stayed prudent yet innovative in order to deal with the hazards brought by the dramatic stock market performance in Hong Kong and the People's Republic of China (the "PRC"). The Group refined its business strategies to adopt the market changes among which including expanding our business scope through a series of acquisitions and collaboration with customers and to increase our sources of income.

Fighting against the threats of volatile capital market which harmed the Group's businesses especially the securities investments division, we embarked on a number of initiatives and remained optimistic on innovative commodities trading platform establishment, newly purchased mobile application developer and property management business. The multi-business channels particularly the two acquisitions at the end of the Year diversified the risks of the Group and ensured the Group's sustainability in the long run.

Looking forward, the macro economy stays challenging. The unstable stock markets of Hong Kong and the PRC are foreseen to remain in the sooner future following the ups and downs in the beginning of 2016. However, the Shenzhen-Hong Kong Stock Connect is expected to be launched in 2016 which will stimulate equity transactions. The Board believes the Group will benefit from an increase in transactions. Furthermore, the Group will continue to focus on its organic growth by taking advantage of our technical proficiency and simultaneously seizing business opportunities to maintain our operational and financial resilience in the unfavourable economic growth momentum.

Finally, on behalf of the Board, I would like to express my sincere gratitude to our shareholders, business partners and customers for their continuous support to the Group. I would like to thank all the staff for their hard work and contributions. We will continue to create value and make contribution to the Group so as to benefit all our shareholders.

Chan Sek Keung, Ringo
Chairman

Hong Kong, 17 March 2016

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overview

The Group is principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments, provision of corporate finance advisory services and provision of property management and property agency services in Hong Kong. For the year ended 31 December 2015 (the "Year"), the Group recorded a total revenue of approximately HK$46,232,000, representing a decrease of approximately 9.9% from approximately HK$51,334,000 of last corresponding year ended 31 December 2014.

Provision of Financial Trading Software Solutions

During the Year, the financial trading software solutions business division recorded a segment revenue and profit from its external customers of approximately HK$42,506,000 (2014: approximately HK$35,267,000) and approximately HK$14,525,000 (2014: approximately HK$11,774,000) respectively.

The financial trading software solutions business division continued to serve its existing customers with the upgraded system features and expanded its customer base. In 2015, the core operating subsidiary in this business division, namely iAsia Online Systems Limited ("iAsia"), had successfully concluded contracts with ten new customers, including brokers in Hong Kong, PRC and Singapore. Among these ten new customers, four of them have implemented our software solutions which contributed recurring licensing fee to iAsia during the Year, while the remaining new customers are going to implement our software solutions in the first half of 2016.

Following the official launch of Shanghai-Hong Kong Stock Connect and the upgrade of securities front office system market access interface from Open Gateway ("OG", a hardware and software component operated by the Stock Exchange's participants, which provides the communication interface between AMS/3, MWS or Broker Supplied Systems ("BSS") and other devices) to Orion Central Gateway ("OCG", a new market access platform to support secured connection between BSS of the Stock Exchange's participants and the Stock Exchange) in late 2014, remarkable increase was seen in one-off system customisation and recurring software licensing fee. The success of financial trading software solutions depends upon its ability to enhance its current software systems and to introduce new software systems that keep pace with the technological developments and emerging industry standards, and address the increasingly sophisticated needs of its customers in a cost-effective way. The upgrade of market access interface is an opportunity for the Group to provide enhancement and upgraded services to the existing customers and probably potential customers. However, there will be keen competition in the securities and futures markets due to the transition from OG to OCG. The Group will grasp this opportunity for further expansion and ensure its profitability.

In addition, the Group kept on enhancing the existing products and developing new products. The development of the iOS version of the Mobile App for retail investors and order management system ("Connect-X"), which has a new feature of connecting to the global market, was completed and launched to the market in March 2015 and May 2015 respectively. The relevant contract with enhanced feature of Connect-X was concluded in the fourth quarter of 2015. The Business Development Team and the Project Development Team of iAsia will continue to study the market trend in order to seize business opportunities and fulfill customers' needs.

Provision of Other Internet Financial Platforms

During the Year, the other internet financial platforms business division contributed a segment revenue from external customers and loss of HK$4,938,000 (2014: HK$6,160,000) and approximately HK$4,206,000 (2014: profit of approximately HK$4,603,000) respectively.

"LENDWISE", the instant B2C (Business to Customer) and O2O (Online to Offline) money lending platform connecting licensed money lending companies in Hong Kong and potential borrowers, was officially launched to the market in April 2015 to cope with the increasing demand for corporate and personal loans and the rising popularisation of mobile device applications. The Group has entered into service agreements with a number of licensed money lending companies in Hong Kong for the services of LENDWISE during the Year.

In late 2014, the Group commenced a project on developing an integrated fund administration and portfolio analysis management system ("Fund Platform") in Hong Kong. During the Year, the back-end system of the Fund Platform was under user acceptance tests, which has been partially completed, with the basic functions of the front-end system completed and its advanced functions under development. The Fund Platform is expected to be launched in the market in the first half of 2016.

Provision of Corporate Finance Advisory Services and Referral Services

In early November 2014, the Group began to provide corporate finance advisory and related services to its clients upon obtaining the Type 6 Licence from the Securities and Futures Commission of Hong Kong to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance ("SFO") (Cap. 571 of the Laws of Hong Kong) in late October 2014. The Group has successfully entered into certain service contracts with the customers since January 2015 and for the Year, contributing revenue from its external customers of HK$1,027,000 (2014: Nil) in the provision of corporate finance advisory services.

During the Year, the referral services business division team worked closely with the corporate finance advisory business division team in exploring new business opportunities, identifying quality investments with good potentials for clients and expanding the cross-segment client base. However, the performance of this business division is not satisfactory due to unstable worldwide economy throughout the Year, and as a result the revenue generated from the provision of referral services recorded a drop from approximately HK$9,608,000 in 2014 to approximately HK$502,000 in 2015.

Money Lending Business

During the Year, revenue and profit from the money lending business division amounted to approximately HK$1,691,000 (2014: approximately HK$243,000) and approximately HK$927,000 (2014: approximately HK$147,000) respectively. The increase in revenue was mainly attributed to loan interest income acquired from several new loan agreements during the Year. The interest rate charged on customers during the Year ranged from 5.0% to 16.0% per annum.

No default event occurred as of 31 December 2015 and the date of this report and no provision for the impairment of loans receivable was considered necessary during the Year. The Group will keep on developing and expanding its money lending business by retaining prudent credit control procedures and strategies that hold a balance between business growth and risk management.

Securities Investments

In consideration of the unstable global equity market, the Group held a prudent attitude towards listed securities investments. The securities investments business division recorded a net fair value loss on financial assets at fair value through profit or loss of approximately HK$4,712,000 (2014: net fair value gain of approximately HK$53,000) and a dividend income of approximately HK$280,000 (2014: approximately HK$3,000) during the Year. The Group will continue to seek investment opportunities to enhance the return to shareholders of the Company ("Shareholders").

MANAGEMENT DISCUSSION AND ANALYSIS

Property Management and Property Agency Services

The Group started to operate the property management and property agency services since 30 December 2015 following its acquisition of Full Profit Property Services Company Limited ("Full Profit"), as disclosed in the Company's announcement dated 30 December 2015. Full Profit is principally engaged in the business of providing property management and property agency services in Hong Kong. The Group will continue to employ a prudent strategy to sustain the segment performance and further diversify its investment portfolio.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the Year was approximately HK$46,232,000, representing a decrease of approximately HK$5,102,000 or 9.9% compared to the last financial year (2014: approximately HK$51,334,000). The decrease was mainly attributable to the combined effect of: (i) the increase in revenue from the financial trading software solutions business division of approximately HK$7,239,000; (ii) the decrease in revenue generated from the provision of corporate finance advisory services and referral business of approximately HK$8,079,000; (iii) the decrease in revenue generated from the provision of other internet financial platforms of approximately HK$1,222,000; and (iv) the net fair value loss from securities investments of approximately HK$4,712,000 during the Year.

Gross profit and gross profit margin

Gross profit of the Group for the Year was approximately HK$33,115,000, representing a decrease of approximately HK$7,265,000 or 18.0% compared to the last financial year (2014: approximately HK$40,380,000) which was in line with the decrease in revenue. Gross profit margin for the Year decreased by approximately 7.1% to approximately 71.6%, as compared to the last financial year (2014: approximately 78.7%). The decrease was mainly due to the decrease in revenue from the referral business division with a higher gross profit margin.

Administrative expenses

The Group's administrative expenses for the Year amounted to approximately HK$38,733,000, representing an increase of approximately HK$12,509,000 or 47.7% as compared to the last financial year (2014: approximately HK$26,224,000). The significant increase was primarily attributable to the combined effect of (i) the increase in administrative staff costs of approximately HK$6,610,000; (ii) the increase in consultancy fees of approximately HK$1,504,000; and (iii) the increase in rental expenses of approximately HK$1,314,000, mainly due to rental expenses incurred by the leasing of new offices for our new businesses developed during the Year, including the provision of other internet financial platforms and the provision of corporate financial advisory services.

Profit/(loss) for the Year

The Group recorded a net loss of approximately HK$16,269,000 for the Year as compared with a net profit of approximately HK$11,319,000 for the year ended 31 December 2014. The net loss was mainly attributable to the combined effect of: (i) the interest expenses of approximately HK$8,684,000 incurred in the Year on the 10% per annum notes in the aggregate principal of HK$100,300,000 ("Loan Notes") issued by the Company on 18 May 2015; (ii) the increase in administrative expenses of approximately HK$12,509,000; (iii) the net fair value loss on financial assets at fair value through profit or loss from the Group's securities investments business of approximately HK$4,712,000 in the Year as compared to net fair value gain in last financial year of approximately HK$53,000; and (iv) the decrease in revenue from the referral business of the Group of approximately HK$9,106,000 as compared to the last financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the Group held cash and bank balances of approximately HK$78,111,000 (2014: approximately HK$45,321,000). Net current liabilities amounted to approximately HK$3,611,000 (2014: net current assets amounted to approximately HK$51,101,000). Current ratio (defined as total current assets divided by total current liabilities) was approximately 0.97 times (2014: approximately 3.38 times).

As at 31 December 2015, the gearing ratio of the Group (defined as total borrowings divided by total assets) was 54.1% (2014: Nil).

As at 31 December 2015, the Group had no outstanding bank borrowings and other borrowings (2014: Nil), except for the Loan Notes with the carrying amount of approximately HK$99,957,000 issued by the Company. The Loan Notes will mature on the day immediately preceding the second anniversary of the date of its issue. The Loan Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company which will rank equally and without any preference amongst themselves and rank pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Company.

FOREIGN EXCHANGE EXPOSURE

During the years ended 31 December 2015 and 2014, the business activities of the Group were mainly denominated in Hong Kong dollars. The Directors did not consider the Group was exposed to any significant foreign currency exchange risks.

CONTINGENT LIABILITIES

As at 31 December 2015, the Group did not have any contingent liabilities (2014: Nil).

CAPITAL COMMITMENT

As at 31 December 2015, the Group did not have any significant capital commitments (2014: Nil).

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2015, the Group did not have any material charge on assets (2014: Nil).

MATERIAL ACQUISITIONS AND DISPOSALS

(1) Investment in FDIL

On 11 December 2015, the Group entered into a subscription agreement for the subscription of 925 shares of DSE Cayman Limited ("DSE", a company incorporated in the Cayman Islands), representing 92.5% equity interest in DSE, at a cash consideration of HK$17,112,500 ("DSE Subscription"), where the remaining 7.5% equity interest in DSE is held by Mr. Lee Derek Ho Yin, an independent third party. DSE has, in turn, invested in Four Directions Investment Limited ("FDIL") and its subsidiaries (collectively, "FDIL Group") by entering into the subscription and share purchase agreement on 11 December 2015 ("FDIL Agreement"), pursuant to which DSE would hold, in aggregate, 30% of the enlarged issued share capital of FDIL ("FDIL Subscription"). The aggregate consideration for the acquisition of subscription shares and sale shares of FDIL is HK$19,987,000, among which HK$9,993,500 had been paid by DSE to FDIL and the remaining of HK$9,993,500 ("Remaining Consideration") will be paid to the seller "Four Directions Holdings Limited" pursuant to the arrangements stipulated under the FDIL Agreement. It is the intention of the Group that DSE will act as the holding company of its investment in the FDIL Group. Details of the acquisition of DSE and investment in FDIL are set out in the announcement of the Company dated 11 December 2015.

The DSE Subscription was completed on 11 December 2015 and DSE became a 92.5% owned subsidiary of the Group on the same date. Upon the completion of the FDIL Subscription on 17 December 2015, FDIL Group became an associate of the Group.

Under the FDIL Agreement, FDIL is required to meet a profit guarantee where the audited consolidated net profits of the FDIL Group ("2016 Net Profit") shall be HK$9,726,917 or more for the year ending 31 March 2016. If the said target is not met, part of Remaining Consideration of HK$3,331,166 shall be deducted by the "2016 Refund", being (HK$13,324,544 – 2016 Net Profit) x 0.75.

In addition, if the aggregate ("2016-2017 Aggregate Net Profit") of the 2016 Net Profit and the 2017 net profit ("2017 Net Profit", being the audited consolidated net profits of the FDIL Group for the year ending 31 March 2017) is less than HK$23,451,196, the guarantors and the seller under the FDIL Agreement shall refund to DSE an amount, being ((HK$29,313,996 – 2016-2017 Aggregate Net Profit) x 0.75) – 2016 Refund.

The total liability of the seller and the guarantors in the FDIL Agreement under the above terms of refund in the form of cash shall not exceed the sale price of HK$6,662,333. In the event the amounts refundable to DSE exceeds HK$6,662,333, the seller shall pay the amount exceeded ("Shortfall") by way of transferring such number of shares of FDIL to DSE, where the number of such shares shall be the Shortfall (subject to a maximum penalty of HK$19,987,000/30% x 19%) / (19,987,000/30%) x total number of FDIL shares in issue as at the date of calculation of the Shortfall. DSE is entitled to enforce a share charge against the seller if the seller fails to transfer the FDIL shares for the Shortfall as stated above.

The principal business of FDIL Group is the provision of information technology and smartphone application development services and the development of information technology applications.

(2) Acquisition of 100% of Full Profit

On 30 December 2015, the Group entered into a sale and purchase agreement ("SP Agreement") to acquire the entire share capital of Full Profit, which is a company incorporated in Hong Kong with limited liability and principally engaged in the provision of property management and property agency services in Hong Kong, at a cash consideration of HK$6,000,000. The SP Agreement was completed on 30 December 2015 and Full Profit became a wholly-owned subsidiary of the Group. Details of the acquisition of Full Profit are set out in the announcement of the Company dated 30 December 2015.

Details of the acquisition is set out in note 33 to the consolidated financial statements.

OTHER INVESTMENTS

During the Year, the Group subscribed three unlisted fund investments (the "Funds") which are private equity funds incorporated in the Cayman Islands. The Funds are limited by shares and are managed by their respective fund managers. The Funds consisted of (i) a fund which mainly invests in the field of social media at subscription amount of HK$3,500,000 on 8 October 2015; (ii) a fund which mainly invests in the field of multi-media, social media and internet-related business at subscription amount of HK$8,500,000 on 15 September 2015; and (iii) a fund which mainly invests in the field of interactive medical beauty business at subscription amount of HK$8,500,000 on 23 November 2015.

SIGNIFICANT AND POTENTIAL INVESTMENTS

Save as disclosed above in the paragraph headed "Material Acquisitions and Disposals", the Group had made the following investment plans during the Year and subsequent to the end of the reporting period:

Diamond Transactions

On 14 May 2015, the Company entered into a framework agreement ("Framework Agreement") with the following three parties ("Prospective Business Partners"), namely 深圳市鑽石毛坯交易中心有限公司 (in English translation as "Shenzhen City Rough Diamond Trading Centre Company Limited"), 深圳市中非鑽石股份有限公司 (in English translation as "Shenzhen Sino-African Diamond Company Limited") and 深圳市水貝珠寶有限公司 (in English translation as "Shenzhen City Shuibei Jewel Company Limited"), pursuant to which the Company and the Prospective Business Partners would establish a cross-border strategic alliance in relation to the provision of financial services for transactions relating to diamond ("Diamond Transactions"), with an aim to developing innovative financial services and trading method for the Diamond Transactions.

Pursuant to the Framework Agreement, the Group applied for the establishment of a wholly-owned subsidiary in Qianhai, Shenzhen, PRC ("Qianhai Subsidiary"). However, the application for establishment of the Qianhai Subsidiary was not approved by the relevant authority of the PRC. Accordingly, the Framework Agreement lapsed.

Details of the Framework Agreement and the Qianhai Subsidiary are set out in the Company's announcements dated 14 May 2015 and 23 July 2015.

Proposed Acquisition in relation to Reinfo Asia Limited ("Reinfo")

On 19 August 2015, the Group and the proposed vendors ("Proposed Vendors") entered into a memorandum of understanding ("Memorandum") in relation to the proposed acquisition ("Proposed Acquisition") of 51% of the issued shares of Reinfo or the proposed holding company ("Holding Company") of Reinfo by the Group from the Proposed Vendors at the proposed consideration of HK$30,600,000. Reinfo is a company incorporated in Hong Kong with limited liability and is principally engaged in software consultancy focusing on the systems development for general insurance applications and covering areas of direct insurance, brokers and reinsurance.

The Memorandum shall be automatically terminated upon the earlier of (i) the expiry of the exclusivity period; (ii) a definitive agreement having been entered into between the Proposed Vendors and the proposed purchaser (or its nominee); or (iii) the mutual termination by the parties to the Memorandum in writing.

Since no definitive agreement has been entered into by the expiry of the exclusivity period ended on 17 December 2015, the Memorandum has lapsed and ceased to take effect. The Group may continue to negotiate with the Proposed Vendors for the acquisition of Reinfo in the future.

Details of the Proposed Acquisition are set out in the Company's announcements dated 19 August 2015, 20 October 2015 and 18 December 2015.

CAPITAL STRUCTURE

As at 31 December 2015, the Group had shareholders' equity of approximately HK$45,774,000 (2014: approximately HK$60,267,000). As at 31 December 2015, the capital of the Company comprises ordinary shares only.

Changes in Shareholding of the Controlling Shareholder

On 31 March 2015, the Company was informed by Mr. Chan Sek Keung, Ringo, the non-executive Director and chairman of the Board and Luster Wealth Limited ("Luster Wealth"), the controlling shareholder of the Company (as defined in the GEM Listing Rules), that on 31 March 2015, Luster Wealth disposed of 64,112,500 shares ("Shares") of the Company ("First Sale Shares") to a third party who and whose ultimate beneficial owner are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules) at HK$0.45 per First Sale Share ("First Disposal"). Immediately before the First Disposal, Luster Wealth held an aggregate of 2,328,225,000 Shares, representing approximately 58.2% of the issued share capital of the Company. Immediately after completion of the First Disposal, Luster Wealth held an aggregate of 2,264,112,500 Shares, representing approximately 56.6% of the issued share capital of the Company. Details of the First Disposal are set out in the Company's announcement dated 31 March 2015.

On 21 September 2015, the Company was informed by Mr. Chan Sek Keung, Ringo and Luster Wealth that on 21 September 2015, Luster Wealth has, through a placing agent, disposed of 1,100,000,000 Shares ("Second Sale Shares") to more than one purchasers who are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules) at HK$0.14 per Second Sale Share ("Second Disposal"). Immediately before the Second Disposal, Luster Wealth held an aggregate of 2,264,112,500 Shares, representing approximately 56.6% of the issued share capital of the Company. Immediately after completion of the Second Disposal, Luster Wealth held an aggregate of 1,164,112,500 Shares, representing approximately 29.1% of the issued share capital of the Company. Details of the Second Disposal are set out in the Company's announcement dated 21 September 2015.

Issue of Loan Notes

On 10 April 2015, the Company, as issuer, entered into a placing agreement with Convoy Asset Management Limited and GEO Securities Limited (as placing agents), whereby the said placing agents agreed to place, on a best endeavour basis, to procure the placees who are third parties independent of, and not connected with and not acting in concert with, the Company and its connected persons (under the meaning of the GEM Listing Rules) and their respective associates (under the meaning of the GEM Listing Rules) to subscribe for the Loan Notes in an aggregate principal amount of up to HK$200,000,000 maturing on the day immediately preceding the second anniversary of the date of issue of the Loan Notes (or where such day is not a business day, the immediately following business day) at the placing price equal to 100% of the principal amount of the Loan Notes ("Notes Placing"). The placing period for the Notes Placing commenced on 11 April 2015 and ended on 10 June 2015. On 18 May 2015 and as of 10 June 2015, the Loan Notes in an aggregate principal amount of HK$100,300,000 were issued and the net proceeds were approximately HK$96,300,000 ("Notes Net Proceeds").

The intended use of the Notes Net Proceeds has been changed and is intended to be used for funding the Group's money lending business in Hong Kong and future potential acquisitions, investments and treasury management purposes. As at the date of this annual report, all the Notes Net Proceeds have been utilised for the abovementioned purposes.

Details of the Loan Notes are set out in the Company's announcements dated 10 April 2015, 18 May 2015, 11 June 2015, 23 July 2015, 14 August 2015, 19 August 2015, 26 August 2015 and 30 December 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group does not have any concrete plan for material investments or capital assets for the coming year. Nonetheless, if any potential investment opportunity arises in the coming year, the Group will perform feasibility studies and prepare implementation plans when it is beneficial to the Group and the Shareholders of the Company as a whole.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2014: Nil).

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2015, the Group had 60 employees (2014: 57). The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

COMPARISON OF BUSINESS PLANS WITH ACTUAL BUSINESS PROGRESS

The following is a comparison between the Group's business plans as set out in the prospectus of the Company dated 18 September 2013 ("Prospectus") and the Group's actual business progress for the Year.

As at 31 December 2015:

Business plans	**Actual business progress**
1. Enhancing product development by developing new products and improving its existing products	
(i) New products	
• Integrate and embed the interface into the Algorithmic Trading System ("ATS") in order to place orders for securities traded on the Stock Exchange, and include more trading strategies into the ATS.	• To meet the market needs, the research and development team has modified the strategies of the development of ATS for trading futures products during the Year. The modified ATS, namely Futures Institution, is currently undergoing the fine-tuning and performance testings and is targeted to be launched to market in the third quarter of 2015.
• Extend the arbitrage section to support arbitrage on stock and stock option products traded respectively on the Stock Exchange	• To meet the rapid change in global trading trend, the research and development team has modified the strategies to develop trading system connecting the emerging markets. The modified version is expected to be launched to market in the second quarter of 2016.
• Conduct feasibility study of extending the Mobile App for Tablet and the Mobile App for Retail Investors to Windows 8 platform.	• The extension of Mobile App to Windows 8 platform was on hold due to the low popularity of Windows in mobile application.

Business plans	Actual business progress
• Conduct preparation work for building the order routing network of the OMS, such as sourcing of hardware and data centre, conduct pilot run for the OMS, and launch the OMS and the relevant order routing network.	• The OMS, namely Connect-X, was officially launched in May 2015.
• Conduct system enhancement and fine tuning of OMS	• The first contract of new feature in Connect-X for connecting to United States of America and Singapore markets was concluded in November 2015. It is expected to be launched in the first half of 2016.
(ii) Existing products	
• Launch the enhanced version of the Securities Front Office System for banking sector.	• The development of the enhanced system security to meet the compliance requirements of the Hong Kong Monetary Authority was completed in 2014 and the enhanced version was launched to the market in March 2015.
• Launch the enhanced version of the Securities Back Office System for banking sector.	• The development of the two enhancements including (i) the incorporation of client relationship management system for client data sharing; and (ii) the synchronisation between back office systems was completed in 2014 and the enhanced version was launched to the market in March 2015.
2. Expanding the customer base	
• Arrange community service for participation of the Group's staff to promote corporate social responsibility and brand image.	• To further introduce Connect-X to existing customers and noncustomers, iAsia diverted the human resources to hold a seminar in April 2015. The Group will take part in community services in the near future. • iAsia joined the Computer Recycling Programme run by Caritas – Hong Kong in late 2015 to promote environmental friendly awareness and social responsibility among the staff.

PRINCIPAL RISKS AND UNCERTAINTIES

Operational risk

The Group is exposed to the operational risks in relation to each business division of the Group. To manage the operational risk, the management of each business division is responsible for monitoring the operation and assessing the operational risks of their respective business divisions. They are responsible for implementing the Group's risk management policies and procedures and shall report any irregularities in connection with the operation of the projects to the Directors and seek for directions. The Group emphasises on ethical value and prevention of fraud and bribery and has established whistleblower program, including communication with other departments and business divisions and units, to report any irregularities since March 2013. In this regard, the Directors consider that the Group's operational risk is effectively mitigated.

Financial risks

The Group is exposed to the credit risk, liquidity risk and market risk, and particularly, equity price risk.

Credit risk

In order to minimise the credit risk, the Directors closely monitor the overall level of credit exposure and the management is responsible for determination of credit approvals and monitors the implementation of the collection procedure to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Liquidity risk

The Directors has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In this regard, the Directors consider that the Group's liquidity risk is effectively managed.

Market risk

The Group is exposed to the market risk, particularly, the equity price risk mainly through its investment in listed equity securities. The management manages this exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these investments. In this regard, the Directors consider that the Group's market risk is effectively mitigated.

USE OF PROCEEDS FROM THE PLACING

The Company was listed on the GEM of the Stock Exchange by way of Placing (as defined in the Prospectus) on 26 September 2013 ("Listing Date"). Based on the Placing Price of HK$0.82 per Placing Share (as defined in the Prospectus), the proceeds raised from the Placing amounted to approximately HK$28.6 million, net of underwriting fees and other related expenses.

The following table sets forth a breakdown of the use of net proceeds applied by the Group from the Latest Practicable Date (as defined in the Prospectus) up to 31 December 2015. As set out below, all the net proceeds from the Placing has been utilised as at 31 December 2015.

Use of net proceeds	Planned amount as stated in the Prospectus HK$ million	Actual amount utilised up to 31 December 2015 HK$ million	Actual balance as at 31 December 2015 HK$ million
Enhancing product development by developing new products and improving its existing products	12.3	12.3	Nil
Expanding the customer base	2.5	2.5	Nil
Possible acquisition of an IT Company (note)	1.2	1.2	Nil
General working capital (note)	12.6	12.6	Nil
Total	28.6	28.6	Nil

Note:

As disclosed in the Company's announcement dated 26 November 2014, the Board has resolved to change ("Adjustment") the use of the entire unutilised amount of approximately HK$11.8 million originally allocated for the possible acquisition of an IT company as general working capital of the Group for the financial trading software solutions business division as well as the new business divisions comprising the provision of other internet financial platforms, provision of referral services, money lending business, securities investments and provision of corporate financial advisory services.

OUTLOOK

In the view of the insecure global and domestic economic forecast, the Group will remain cautious in future developments and at the same time maintain financial technology as the core business.

iAsia, the Group's subsidiary and a leading financial software developer, will continue to anticipate in the provision of trading solutions for the highly sophisticated financial sectors in Hong Kong as well as the PRC and Asian regions. The Group will devote to deploy more resources in iAsia's development in response to the possible increasing number of transactions when Shenzhen-Hong Kong Stock Connect launches.

The convergence of technology and daily life is a lifestyle revolution resulting in mobile applications becoming part of people's daily lives. Therefore, the Group has been on one hand focusing on its financial trading software solutions business, and on the other hand seizing investment opportunities and adjusting its strategies to adapt to the dynamic market environment by developing and expanding into various new businesses. Through the investment in FDIL which engages in the principal business of providing information technology and smartphone applications development services, the Group is able to expand its investment into information technology industry in respect of development of smartphone applications, which the Directors consider to have great market potentials and to be able to strengthen our competitive edge. The Group will continue to commit in mobile applications development through investments in potential businesses. For example, in February 2016, the Group invested in the mobile application Mei Li Shen Qi（美麗神器）, one of the largest online communities and e-commerce platforms with millions of users for medical beauty industry in the PRC, through the subscription of shares of Rolaner International Limited ("Rolaner", a company incorporated in the Cayman Islands) and the entering into of certain contractual arrangements with Rolaner's operating company in the PRC. The Directors believe that such expansion in client base will enhance cross-sale among various business divisions of the Group.

IT is a service oriented industry and it relies on high quality personnel. As such, the Group keeps enhancing our team and building dynamic working environment through recruiting high caliber staff and industry experts. Together with their market acumen and expertise, the Group will capture potential market opportunities to open up more income streams through a growing number of institutional clients and a wide spectrum of products or services.

The Group's money lending business has achieved an encouragingly increase in revenue in 2015. Hence, the Group will continue to enhance our cash position and strictly control the potential risks associated with the volatile market in the foreseeable future. Looking ahead, the Group will endeavor to continue its growth trajectory through stable fiscal position, strong collaboration with clients and core business division enhancements which further contributes to the Group's prosperity and stability.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

During the Year, the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code ("CG Code") set out in Appendix 15 to the GEM Listing Rules, except for the deviations mentioned in the following paragraph.

According to code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the Year, the role of the Chairman is performed by Mr. Chan Sek Keung, Ringo but the office of the chief executive officer of the Company is vacated. However, the Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

According to code provision E.1.2, the chairman of the Board should attend the annual general meeting. Due to other commitments which must be attended by Mr. Chan Sek Keung, Ringo, he was unable to attend the annual general meeting of the Company held on 5 May 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company during the Year.

BOARD OF DIRECTORS

Composition of the Board

As at the date of this annual report, the Board consists of two executive Directors namely Mr. Li Hoi Kong and Mr. Lawrence Tang, one non-executive Director namely Mr. Chan Sek Keung, Ringo (who is also the Chairman) and three independent non-executive Directors namely Mr. Lam Kai Yeung, Ms. Lee Kwun Ling, May Jean and Mr. Yuen Shiu Wai. Biographical details of all Directors are set out on pages 26 to 28 of this annual report.

Functions and Responsibilities of the Board

The Board is collectively responsible for overseeing the management of business, strategic decisions and financial performance for the best interests of the Shareholders. The Board has established various Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. All Directors have carried out their duties in good faith and in compliance with the standards of applicable laws and regulations, and have acted in the interests of the Company and the Shareholders as a whole at all times.

The Board takes responsibility for all major matters of the Company including the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (particularly those that may involve conflicts of interest), financial information, appointment of Directors and other significant financial and operational matters.

During the Year, 13 Board meetings were convened to perform the above mentioned duties and responsibilities and details of attendance of each Board member are set out in the section headed "Attendance of Directors at Meetings" on page 22 of this annual report.

All Directors have full and timely access to all relevant information as well as the advice and services of the company secretary of the Company ("Company Secretary") with a view to ensuring that Board's procedures and all applicable rules and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

Delegation of Powers

The Board delegates the day-to-day management authority, administration and operation of the Group to the executive Directors and the senior management of the Group while reserving certain key matters in making strategic decision for its approval. When the Board delegates aspects of its management and administration functions to management, it gives clear directions as to the powers of management, in particular, with respect to the circumstances where management need to report back to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. During the Year, the executive Directors and the senior management of the Group provided all members of the Board with monthly updates pursuant to code provision C.1.2 of the CG Code while the Board regularly reviewed its arrangement on delegation of authority and responsibilities to ensure that such delegations are appropriate in view of the Group's prevailing circumstances.

Directors' Appointment and Re-election

The appointment of a new Director is made on the recommendation of the Nomination Committee or by the Shareholders in general meetings. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Each of the executive Directors has entered into a service contract with the Company for an initial fixed term of three years subject to termination, among others, by giving not less than three months' written notice.

Currently, the non-executive Director and all independent non-executive Directors are appointed for a specific term of two years pursuant to code provision A.4.1 of the CG Code. All Directors are subject to retirement by rotation at least once every three years pursuant to code provision A.4.2 of the CG Code. By virtue of article 112 of the articles of association of the Company, the Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director provided that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting of the Company.

Pursuant to article 108(a) of the articles of association of the Company, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation and all such retiring Directors being eligible, will offer themselves for re-election. Details of the Directors to be retired by rotation and, where applicable, subject to re-election at the forthcoming annual general meeting of the Company will be contained in the circular to be despatched to the Shareholders together with this annual report. None of the Directors who are being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

Independent non-executive Directors

Pursuant to Rule 5.05 of the GEM Listing Rules, the Company has three independent non-executive Directors, representing at least one-third of the Board. Among the three independent non-executive Directors, Mr. Lam Kai Yeung and Mr. Tai Man Hin, Tony (retired on 5 May 2015) have appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors are or have remained independent.

Board Diversity Policy

The Board has adopted the board diversity policy ("Board Diversity Policy") in accordance with the requirement set out in the CG Code. Such policy aims to set out the approach to achieve diversity on the Board. Accordingly, all Board appointments shall be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates shall be based on a range of diversity perspectives, including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision shall be based on merit and contribution could the selected candidates could bring to the Board. The Nomination Committee, from time to time, oversees the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy and continues to give adequate consideration to these measurable objectives when making recommendations of candidates for appointment to the Board.

Chairman and Chief Executive Officer

According to code provision A.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. During the Year, the role of the Chairman is performed by Mr. Chan Sek Keung, Ringo while the office of the chief executive officer of the Company is vacated. The Board will keep reviewing the current structure of the Board from time to time and should candidate with suitable knowledge, skill and experience be identified, the Company will make appointment to fill the post as appropriate.

Continuing Professional Development

According to code provision A.6.5 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the Year, each of the Directors received regular updates and presentations on changes and developments to the Group's business and to the legislative and regulatory environments in which the Group operates and were also encouraged to attend relevant training courses. During the Year, each of Mr. Li Hoi Kong, Mr. Lawrence Tang, Mr. Chan Sek Keung, Ringo, Ms. Lee Kwun Ling, May Jean, Mr. Yuen Shiu Wai, Mr. Lam Kai Yeung (appointed on 24 June 2015), Mr. Tai Man Hin, Tony (retired on 5 May 2015), Mr. Chan Yee Por, Simon (appointed on 23 March 2015 and resigned on 24 June 2015) and Mr. Cheng Wen (appointed on 23 March 2015 and resigned on 30 September 2015) participated in appropriate continuous professional development activities by way of attending training or reading materials relevant to the Group's business, GEM Listing Rules or directors' duties and provided his or her training records to the Company on a yearly basis.

Directors' and Officers' Liabilities Insurance and Indemnity

The Company has arranged for appropriate insurance covering the liabilities in respect of any legal action against the Directors that may arise out of the corporate activities which has been complied with the CG Code. The insurance coverage is reviewed on an annual basis.

BOARD COMMITTEES

1. Audit Committee

The Company established the audit committee ("Audit Committee") on 10 September 2013 with written terms of reference posted on the websites of the GEM of the Stock Exchange and of the Company. Such written terms of reference were revised and adopted by the Board on 29 December 2015 in accordance with the revised CG Code taking effect on 1 January 2016. The primary duties of the Audit Committee are, among other matters, to review the Company's financial information and monitoring of the Company's financial reporting system, risk management and internal control systems.

At the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Lam Kai Yeung (chairman), Ms. Lee Kwun Ling, May Jean and Mr. Yuen Shiu Wai. Each committee meeting was chaired by an independent non-executive Director.

The Audit Committee has reviewed the accounting standards and practices adopted by the Group and discussed with the management about the internal control and financial reporting matters for the Year. The Group's quarterly, half-yearly and annual results for the Year have also been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and that adequate disclosures have been made.

During the Year, seven Audit Committee meetings were convened and details of attendance of each Audit Committee member are set out in the section headed "Attendance of Directors at Meetings" on page 22 of this annual report.

2. Remuneration Committee

The Company established a remuneration committee ("Remuneration Committee") on 10 September 2013 with written terms of reference in accordance with the CG Code which are posted on the websites of the GEM of the Stock Exchange and of the Company. The primary duties of the Remuneration Committee are, among other matters, to review and make recommendations to the Board on the terms of remuneration packages of the Directors and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policy.

At the date of this annual report, the Remuneration Committee comprises Mr. Li Hoi Kong, being an executive Director and two independent non-executive Directors, namely Ms. Lee Kwun Ling, May Jean and Mr. Yuen Shiu Wai (chairman).

During the Year, the Remuneration Committee has reviewed and made recommendations to the Board on the remuneration packages of the Directors and senior management and reviewed and approved certain new remuneration proposals with reference to the Board's corporate objectives and the prevailing market conditions, assessed performance of executive Directors and approved the terms of executive Directors' service contracts.

During the Year, four Remuneration Committee meetings were convened and details of attendance of each Remuneration Committee member are set out in the section headed "Attendance of Directors at Meetings" on page 22 of this annual report.

Details of the remuneration of each of the Directors for the Year are set out in note 14 to the consolidated financial statements.

3. Nomination Committee

The Company established the Nomination Committee on 10 September 2013 with written terms of reference in accordance with the code provisions set out in the CG Code which are posted on the websites of the GEM of the Stock Exchange and of the Company. The primary duties of the Nomination Committee are, among other matters, to formulate nomination policy and make recommendations to the Board on nomination and appointment of the Directors and succession planning for the Directors.

At the date of this annual report, the Nomination Committee comprises Mr. Chan Sek Keung, Ringo (chairman), being the non-executive Director and two independent non-executive Directors, namely Ms. Lee Kwun Ling, May Jean and Mr. Yuen Shiu Wai.

During the Year, three Nomination Committee meetings were convened and details of attendance of each Nomination Committee member are set out in the section headed "Attendance of Directors at Meetings" on page 22 of this annual report.

During the Year, the Nomination Committee has reviewed the structure, size and diversity of the Board, reviewed the existing Board Diversity Policy and its implementation and assessed the independence of the independent non-executive Directors and the annual confirmations on their independence. The Nomination Committee also reviewed the nomination procedures, process and criteria to select and recommend candidates for directorship and made recommendations on the nomination and appointment of new Directors.

4. Compliance Committee

The Company established a compliance committee ("Compliance Committee") on 10 September 2013 with written terms of reference which are posted on the websites of the GEM of the Stock Exchange and of the Company.

At the date of this annual report, the Compliance Committee comprises two executive Directors, namely Mr. Li Hoi Kong (chairman) and Mr. Lawrence Tang. The principal duties of the Compliance Committee includes:

- to establish, execute and maintain the compliance and corporate governance system of the Group;
- to support and provide instructions to ensure that each business unit can establish, execute and maintain its compliance and corporate governance system;
- to produce the compliance manual and keep it updated;
- to conduct education and training programmes on compliance, including compliance seminars;
- to monitor the status of the compliance and corporate governance system; and
- to investigate compliance problems and take appropriate measures when one arises (it may instruct the relevant department(s) to deal with the problem depending on its nature).

During the Year, the members of the Compliance Committee have been from time to time monitoring the status of the compliance and corporate governance system and the Compliance Committee was of the view that there was no compliance issue of the Group which required the Compliance Committee to resolve by way of a meeting. Therefore, no meeting of the Compliance Committee was held during the Year.

ATTENDANCE OF DIRECTORS AT MEETINGS

Director	Annual general meetings	Extraordinary general meetings	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
	Number of meetings attended/entitled to attend (note 1)					
Executive Directors						
Mr. Li Hoi Kong	1/1	2/2	13/13	N/A	4/4	N/A
Mr. Lawrence Tang	1/1	2/2	13/13	N/A	N/A	N/A
Chairman and non-executive Director						
Mr. Chan Sek Keung, Ringo	0/1	2/2	12/13	N/A	N/A	3/3
Independent non-executive Directors						
Mr. Chan Yee Por, Simon (note 2)	1/1	1/1	4/4	1/1	N/A	N/A
Mr. Cheng Wen (note 3)	0/1	1/1	4/7	1/2	N/A	N/A
Mr. Lam Kai Yeung (note 4)	N/A	N/A	4/4	4/4	N/A	N/A
Ms. Lee Kwun Ling, May Jean	0/1	2/2	11/13	6/7	4/4	3/3
Mr. Tai Man Hin, Tony (note 5)	1/1	1/1	5/5	2/2	N/A	N/A
Mr. Yuen Shiu Wai	1/1	2/2	11/13	7/7	4/4	3/3

Notes:

1. Attendances of the Directors appointed/resigned during the Year were made by reference to the number of such meetings held during their respective tenures.

2. Mr. Chan Yee Por, Simon was appointed as an independent non-executive Director with effect from 23 March 2015, and resigned with effect from 24 June 2015.

3. Mr. Cheng Wen was appointed as an independent non-executive Director with effect from 23 March 2015, and resigned with effect from 30 September 2015.

4. Mr. Lam Kai Yeung was appointed as an independent non-executive Director with effect from 24 June 2015.

5. Mr. Tai Man Hin, Tony retired with effect from 5 May 2015.

ACCOUNTABILITY AND AUDIT

Directors' and Auditors' Responsibilities for the Consolidated Financial Statements

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the Year, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis. The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The reporting responsibilities of the Company's external auditors, HLB Hodgson Impey Cheng Limited, is set out in the section headed "Independent Auditors' Report" on pages 40 to 41 of this annual report. There has been no change in the external auditors of the Company in any of the preceding 3 years.

During the Year, the Board did not take a different view from the Audit Committee on the appointment of external auditors.

Auditors' Remuneration

During the Year, the remuneration paid or payable to the Group's external auditors, HLB Hodgson Impey Cheng Limited, for the audit and non-audit services provided amounted to approximately HK$500,000 and HK$110,000 respectively. The non-audit services mainly consist of the review of the financial information of quarterly and interim reports of the Group.

CORPORATE GOVERNANCE FUNCTIONS

The Board has not established a corporate governance committee. According to code provision D.3 of the CG Code, the Board is responsible for performing the corporate governance duties of the Company. The Board shall have the following duties and responsibilities for performing the corporate governance duties of the Company:

- to develop and review the policies and practices on corporate governance of the Group and make recommendations;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- to review the Company's compliance with the CG Code as set out in Appendix 15 to the GEM Listing Rules and disclosure in the corporate governance report of the Company.

The Board has reviewed the Company's policies and practices on corporate governance and compliance with the CG Code, reviewed and monitored the training and continuous professional development of Directors and senior management and reviewed and monitored the Group's policies and practices on compliance with legal and regulatory requirements during the Year as well as the disclosures in this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

INTERNAL CONTROL AND RISK MANAGEMENT

The Board acknowledges its responsibility for the effectiveness of the Group's internal control and risk management systems. Such an internal control and risk management systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss. For the Year, the Board has conducted a review on the effectiveness of the Group's internal control and risk management systems which covers financial, operational, compliance procedural and risk management functions and have considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The Group believes that good corporate governance practices are very important for maintaining and promoting investor confidence and for the sustainable growth of the Group. The Group has therefore made continued efforts to uplift its quality of corporate governance. It has established a highly effective system of internal controls and adopted a series of measures to ensure its safety and effectiveness. As a result, the Group is able to safeguard its assets and protect the interests of its Shareholders.

The Board is of the view that the systems of internal control and risk management are effective and there are no irregularities, improprieties, fraud or other deficiencies that suggest material deficiency in the effectiveness of the Group's internal control system.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company communicates with the Shareholders, the potential investors or the investment community (collectively, "Investors") of the Company mainly in the following ways:

(a) the holding of annual general meetings and extraordinary general meetings, if any, which may be convened for specific purposes and provide opportunities for the Shareholders and Investors to communicate directly with the Board;

(b) the publication of quarterly, interim and annual reports, circulars, announcements and notices of shareholders' meetings as required under the GEM Listing Rules and/or press releases of the Company providing updated information of the Group; and

(c) the provision of the latest information of the Group on the websites of the GEM of the Stock Exchange and of the Company.

Pursuant to article 65 of the articles of association of the Company, the annual general meetings or extraordinary general meetings of the Company called for the passing of a special resolution shall be called by at least 21 days' notice in writing. The meetings of the Company other than an annual general meeting or an extraordinary general meeting for the passing of a special resolution shall be called by at least 14 days' notice in writing.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting by Shareholders

Pursuant to article 64 of the articles of association of the Company, any 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 of the Company shall at all times have the right, by requisition in writing to the Board or the Company Secretary, to require an extraordinary general meetings to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Sending Enquiries and Proposals to the Board

Shareholder(s) may send their enquiries and/or put forward proposals to the Company, for attention of the Board or the Company Secretary, by posting the same to 23/F, W Square, 318 Hennessy Road, Wanchai, Hong Kong.

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMPANY SECRETARY

Mr. Lam Kit Sun, a former Company Secretary and the chief financial officer of the Company ("CFO"), was an employee of the Company and was appointed by the Board until he resigned as the Company Secretary and the CFO with effect from 1 February 2015. Immediately after the resignation of Mr. Lam Kit Sun, Ms. Yeung Wai Man, a former Company Secretary, was an employee of the Company and was appointed by the Board until she resigned as the Company Secretary with effect from 9 June 2015. Immediately after the resignation of Ms. Yeung Wai Man, Ms. Law Hau Yan, the former Company Secretary, was an employee of the Company and was appointed by the Board until she resigned as the Company Secretary with effect from 1 February 2016. All of them undertook not less than 15 hours of relevant professional training to update his/her skill and knowledge during the Year.

Ms. Wong Kei Lam, being the financial controller of the Company, was appointed by the Board as the Company Secretary with effect from 1 February 2016.

CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution of the Shareholders passed on 10 September 2013, the amended and restated memorandum and articles of association of the Company were adopted with effect from 10 September 2013. During the Year, there was no significant change to the memorandum and articles of association of the Company.

The amended and restated memorandum and articles of association of the Company are available on the websites of the GEM of the Stock Exchange and of the Company respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Li Hoi Kong（李海港）, aged 42, was appointed as an executive Director on 10 September 2013.

Mr. Li obtained a degree of Bachelor of Engineering in Computer Science from The Hong Kong University of Science and Technology in November 1997.

Mr. Li has extensive experience in the field of information technology in the financial industry. Mr. Li was a programmer in C.A. Pacific Management Limited from August 1997 to March 1998 handling internet trading system projects. From August 1998 to July 2000, Mr. Li joined China Rise Consultants Limited as an analyst programmer. In July 2000, Mr. Li joined Intelligent Group Enterprise Limited, Powerticker as a system architect and his last position was project manager. During his time at Intelligent Group Enterprise Limited, Powerticker, he was the chief architect in setting up numerous systems, including, among others, a streaming financial data system, a multi-market financial data system and a merchandising inventory system. He was also involved in the human resources management and was the project leader for numerous international clients.

In February 2005, Mr. Li joined iAsia and took up the position as project director. He was mainly responsible for the business development, operation and overseeing of all projects and resources scheduling. Mr. Li was promoted to the chief operating officer of iAsia on 1 April 2009. Currently, he is principally in charge of iAsia's daily operations, business and product development, customer support and quality assurance, finance, human resources and administration.

Mr. Lawrence Tang, aged 40, was appointed as an executive Director on 29 January 2014.

Mr. Tang graduated from the University of Staffordshire in the United Kingdom with a Bachelor of Arts Degree in Law and Accounting.

Mr. Tang has broad experience in business development in international markets in Europe, North America, Hong Kong and the PRC and possesses extensive experience and knowledge in the PRC market in (i) industrial management; (ii) project management and (iii) management and operation. He is experienced in strategic management and is responsible for the Group's corporate growth and new business development. From December 2009 to October 2013, Mr. Tang was an executive director of Jun Yang Solar Power Investments Limited (stock code: 397), a company listed on the Main Board of the Stock Exchange.

BIOGRAPHICAL DETAILS OF DIRECTORS

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Chan Sek Keung, Ringo（陳錫強）, aged 56, is a non-executive Director and the Chairman.

Mr. Chan obtained a degree of Bachelor of Science in Engineering from The University of Hong Kong in November 1981. He was a fellow member of The Hong Kong Institute of Directors and is currently a member of the Chinese People's Political Consultative Conference for Chengdu, Sichuan Province, the PRC.

Mr. Chan has over 30 years of experience in the IT and network industry. He has previously worked for various multi-national corporations such as General Electric Company, Case Communications Limited and Infa Telecom Limited and served in senior executive positions in the Asia Pacific region. In November 1998, Mr. Chan founded MelcoLot Limited ("MelcoLot") (stock code: 8198), a company listed on the GEM of the Stock Exchange. Mr. Chan was appointed as an executive director and chairman of MelcoLot from September 2001 to December 2009. He was re-designated as its non-executive director in December 2009 and resigned as its chairman with effect from February 2010. In March 2010, he was re-appointed as the chairman of MelcoLot. Since then, he remained as a non-executive director and the chairman of MelcoLot until July 2013 when he resigned from both positions. In December 2015 and February 2016, he was appointed as a non-executive director and chairman of the board of HL Technology Group Limited (stock code: 1087), a company listed on the Main Board of the Stock Exchange, respectively.

Mr. Chan is also the sole director of each of Luster Wealth Limited and Woodstock Management Limited, the substantial shareholders of the Company. Mr. Chan beneficially owns 100% of the issued share capital of Woodstock, which in turn owns approximately 89.87% of the issued share capital of Luster Wealth. By virtue of the SFO, each of Woodstock and Mr. Chan is deemed, or taken to be, interested in all the 1,164,112,500 shares of HK$0.0005 each held by Luster Wealth and which falls to be disclosed under Divisions 2 and 3 of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Kai Yeung（林繼陽）, aged 46, was appointed as an independent non-executive Director on 24 June 2015.

Mr. Lam is a fellow of the Association of Chartered Certified Accountants and a fellow of the Hong Kong Institute of Certified Public Accountants. Mr. Lam obtained a bachelor degree of accounting from Xiamen University in the PRC in July 1990 and a master degree in business administration from Oxford Brookes University in the United Kingdom in July 2010. From July 2006 to August 2013, Mr. Lam was the company secretary and qualified accountant of Hunan Nonferrous Metals Corporation Limited (stock code: 2626), a company which was listed on the Main Board of the Stock Exchange and had delisted from the Stock Exchange in March 2015. From August 2008 to June 2015, Mr. Lam was an independent non-executive director of Northeast Tiger Pharmaceutical Company Limited (stock code: 8197), a company listed on the GEM of the Stock Exchange. From December 2014 to May 2015, Mr. Lam was a non-executive director of Ping Shan Tea Group Limited (stock code: 364), a company listed on the Main Board of the Stock Exchange.

Currently, Mr. Lam is an independent non-executive director of Silverman Holdings Limited (stock code: 1616), a company listed on the Main Board of the Stock Exchange, since June 2012, an independent non-executive director of Highlight China IoT International Limited (formerly known as Ford Glory Group Holdings Limited) (stock code: 1682), a company listed on the Main Board of the Stock Exchange, since August 2014, an independent non-executive director of Sunway International Holdings Limited (stock code: 58), a company listed on the Main Board of the Stock Exchange, since May 2015, an independent non-executive director of Holly Futures Co., Ltd. (stock Code: 3678), a company listed on the Main Board of the Stock Exchange) since June 2015, and an independent non-executive director of Kong Shum Union Property Management (Holding) Limited (stock code: 8181), a company listed on the GEM of the Stock Exchange, since October 2015. Mr. Lam is a licensed person for type 4 (advising on securities) and type 9 (asset management) regulated activities under SFO.

Ms. Lee Kwun Ling, May Jean（李筠翎）, aged 55, was appointed as an independent non-executive Director on 10 September 2013.

Ms. Lee obtained a degree of Master of Business Administration (Executive) at the City University of Hong Kong in October 2014.

From December 2006 to October 2012, Ms. Lee worked for King Fook Holdings Limited and her last position was director of sales and brand development, Greater China. From October 2012 to January 2015, Ms. Lee worked for Boucheron Hong Kong Limited as a retail director. Ms. Lee was also a director of Yan Oi Tong, a registered non-profit charitable organisation, from 2010 to 2014.

Mr. Yuen Shiu Wai（袁紹槐）, aged 57, was appointed as an independent non-executive Director on 10 September 2013.

Mr. Yuen obtained a degree of Bachelor of Science in Engineering from The University of Hong Kong in November 1981. He also received a degree of Master of Science (Finance) from National University of Ireland in October 1999. In April 2007, Mr. Yuen was certified as a Financial Risk Manager (FRM) and further qualified as a Chartered Financial Analyst (CFA) in September 2008.

Mr. Yuen has extensive experience in the field of sales and business development, as well as financial investment and valuation. Mr. Yuen joined VTech Computers Limited in March 1996 as a sales manager. Mr. Yuen joined RHL Appraisal Ltd. in September 2006 as a manager and was promoted to the position of associate director in August 2007. Subsequently, Mr. Yuen worked as an analyst in the investment department of Chung Yuen Electrical Co., Ltd. from January 2008 to August 2008. In September 2008, Mr. Yuen was appointed as a director of Ascent Partners Transaction Service Limited. Currently, Mr. Yuen is a director of Ascent Partners Valuation Service Limited overseeing its valuation business. Both companies are wholly-owned subsidiaries of Ascent Partners Group Limited.

REPORT OF THE DIRECTORS

The Board herewith present the annual report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Group is principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments, provision of corporate finance advisory services, provision of property management and property agency services in Hong Kong. Details of the principal activities and other particulars of the Company's principal subsidiaries are set out in note 1 to the consolidated financial statements.

Further discussion and analysis of these activities, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis set out on pages 4 to 15 of this annual report. This discussion forms part of this directors' report.

CHANGE OF COMPANY'S NAME

By a special resolution passed on 4 June 2015, the name of the Company was changed from Finsoft Corporation to Finsoft Financial Investment Holdings Limited, and the Chinese translation of the Company's name for identification purposes was changed from 匯財軟件公司 to 匯財金融投資控股有限公司. The Registrar of Companies in the Cayman Islands issued the certificate of incorporation on change of name and the Registrar of Companies in Hong Kong issued the certificate of registration of alteration of name of registered non-Hong Kong company on 8 June 2015 and 16 July 2015 respectively. The Board considers that the change of company name could better reflect the business coverage of the Group and provide the Company with a new corporate image and identity.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company ("AGM") will be held on Wednesday, 22 June 2016. In order to determine the entitlement of the Shareholders to attend the AGM, the register of members of the Company will be closed from Monday, 20 June 2016 to Wednesday, 22 June 2016 (both days inclusive), during which period no transfer of shares of the Company can be registered. To qualify for the attendance at the AGM, Shareholders must ensure that all transfer documents accompanied by the relevant share certificates are lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong (which will be relocated to Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong with effect from 5 April 2016) no later than 4:00 p.m. on Friday, 17 June 2016.

NON-COMPETITION UNDERTAKING

Mr. Chan Sek Keung, Ringo, Woodstock and Luster Wealth (collectively, "Covenantors"), have entered into a deed of non-competition dated 10 September 2013 in favour of the Group ("Deed of Non-competition").

The Company has received from each of the Covenantors an annual confirmation on the compliance of the non-competition undertaking under the Deed of Non-competition (the "Undertaking"). A committee comprising all of the independent non-executive Directors has been established to review the compliance of the Undertaking from the Convenantors and evaluate the effectiveness of the implementation of the Deed of Non-Competition and the Company considers the Convenantors have complied with the Undertaking.

Please refer to the Prospectus for the details of the Deed of Non-competition.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 42 of this annual report.

The Board does not recommend the payment of a final dividend for the Year (2014: Nil).

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 30 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Details of the equity-linked agreements entered into during the Year or subsisting at the end of the Year are set out below.

Share Option Scheme

The Company adopted a share option scheme (the "Scheme") on 10 September 2013 so as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme. Pursuant to the Scheme, the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe for the shares of the Company (in such form then existing and subject to adjustment) to any employees (full-time or part-time), directors, consultants or advisor of the Group, or any substantial shareholders of the Group, or any distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group. The Scheme shall be valid and effective for a period of ten years commencing on 10 September 2013 and expiring on the business day immediately preceding the 10th anniversary thereof i.e. 8 September 2023, subject to early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK$1.00. The subscription price of a share of the Company in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share of the Company on the date of grant of the option.

The total number of shares of the Company which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue on the Listing Date. The Company may at any time refresh such limit, subject to the Shareholders' approval and issue of a circular in compliance with the GEM Listing Rules, provided that the total number of shares of the Company which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company does not exceed 30% of the shares of the Company in issue from time to time. The total number of shares of the Company issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period up to and including the date of grant must not exceed 1% of the shares of the Company then in issue unless approved by the Shareholders and issue of a circular and all other information in compliance with the GEM Listing Rules.

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

As at the date of this annual report, the total number of securities available for issue under the Scheme was 400,000,000 shares of HK$0.0005 each, which represented approximately 8.33% of the existing issued share capital of the Company.

During the Year, no option was granted, exercised, cancelled or lapsed pursuant thereto (for the year ended 31 December 2014: Nil) and there was no outstanding share option under the Scheme as at 31 December 2014 and 31 December 2015.

Particulars of the Scheme are set out in note 31 to the consolidated financial statements.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS

Neither the Company nor any of its subsidiaries had granted or issued any convertible securities, options, warrants or similar rights during the Year.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to the existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity and in note 32 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES

Details of movement in the reserves available for distribution of the Company during the Year are set out on page 118 of this annual report.

As at 31 December 2015, the Company had reserves amounted to approximately HK$15,430,000 (2014: approximately HK$24,612,000) available for distribution as calculated in accordance with statutory provisions applicable in the Cayman Islands.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 18 to the consolidated financial statements.

CHARITABLE DONATIONS

Charitable donations made by the Group for the Year amounted to HK$177,400 (2014: HK$30,000).

DIRECTORS

The Directors who held office during the Year and up to the date of this annual report were as follow:

Executive Directors

Mr. Li Hoi Kong
Mr. Lawrence Tang

Chairman and non-executive Director

Mr. Chan Sek Keung, Ringo

Independent non-executive Directors

Ms. Lee Kwun Ling, May Jean
Mr. Yuen Shiu Wai
Mr. Lam Kai Yeung (appointed on 24 June 2015)
Mr. Tai Man Hin, Tony (retired on 5 May 2015)
Mr. Chan Yee Por, Simon (appointed on 23 March 2015 and resigned on 24 June 2015)
Mr. Cheng Wen (appointed on 23 March 2015 and resigned on 30 September 2015)

DIRECTORS' SERVICE CONTRACTS

Mr. Li Hoi Kong, an executive Director, has entered into a service contract with the Company for an initial fixed term of three years commencing from the Listing Date subject to termination, among others, by giving not less than three-months' written notice, while Mr. Lawrence Tang, an executive Director, who has entered into a service contract with the Company for an initial fixed term of three years commencing from his date of appointment as the executive Director i.e. 29 January 2014 subject to termination, among others, by giving not less than three months' written notice. Each of the non-executive Director and independent non-executive Directors has entered into a service contract with the Company for an initial term of two years commencing from the Listing Date subject to termination in certain circumstances as stipulated in the respective service contracts, except for Mr. Lam Kai Yeung, an independent non-executive Director, who has entered into a service contract with the Company with an initial term of two years commencing from 24 June 2015 and ending on 23 June 2017.

REMUNERATION OF THE DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the remuneration of the Directors and five individuals with highest emoluments are set out in the notes 14 and 15 to the consolidated financial statements respectively.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES BY THE DIRECTORS

Saved as disclosed in the section headed "SHARE OPTION SCHEME" on pages 111 to 112 of this annual report, none of the Company, its holding company, or any of its subsidiaries and fellow subsidiaries was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at the end of the Year or at any time during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S 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 or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(I) Long position in the ordinary shares and underlying shares of the Company

Name of Director	Capacity/Nature	Number of shares held/ interested	Approximate percentage of shareholding
Mr. Chan Sek Keung, Ringo ("Mr. Chan") (note 1)	Interest in controlled corporation	1,164,112,500	29.10%
Mr. Lawrence Tang (note 2)	Beneficial owner	7,300,000	0.18%

Notes:

1. These 1,164,112,500 Shares are held by Luster Wealth. Mr. Chan, the non-executive Director and chairman of the Board, beneficially owns 100% of the issued share capital of Woodstock, which in turn owns approximately 89.87% of the issued share capital of Luster Wealth. By virtue of the SFO, each of Woodstock and Mr. Chan is deemed, or taken to be, interested in all the Shares held by Luster Wealth. Mr. Chan is the sole director of each of Luster Wealth and Woodstock, respectively. Mr. Li Hoi Kong, an executive Director, owns approximately 7.75% of the issued share capital of Luster Wealth.

2. Mr. Lawrence Tang is an executive Director.

(II) Long position in the ordinary shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature	Number of share(s) held/ interested	Approximate percentage of shareholding
Mr. Chan	Woodstock	Beneficial owner	1	100%
	Luster Wealth	Interest in controlled corporation	754	89.87%
Mr. Li Hoi Kong	Luster Wealth	Beneficial owner	65	7.75%

Save as disclosed above, as at 31 December 2015, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to the Directors, as at 31 December 2015, the following shareholders and persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long Position in the ordinary shares and underlying shares of the Company

Name of shareholder	Capacity/Nature	Number of Shares held/ interested	Approximate percentage of shareholding
Luster Wealth	Beneficial owner	1,164,112,500	29.10%
Woodstock (note)	Interest in controlled corporation	1,164,112,500	29.10%

Note: These 1,164,112,500 Shares are held by Luster Wealth, which in turn is owned as to approximately 89.87% by Woodstock. Therefore, Woodstock is deemed, or taken to be, interested in all the Shares held by Luster Wealth for the purpose of the SFO.

Save as disclosed above, as at 31 December 2015, the Directors are not aware of any other persons who have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any of its subsidiaries.

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors who are also the senior management of the Group are set out on pages 26 to 28 of this annual report.

DIRECTORS' INTEREST IN CONTRACTS

No transaction, arrangement or contracts of significance (as defined under the GEM Listing Rules) to which the Company, its holding companies, or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director or an entity connected with a Director (as defined under section 486 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) had a material interest, either directly or indirectly, subsisted at the end of the Year or at any time during the Year.

MANAGEMENT CONTRACTS

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

The company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers the independent non-executive Directors are or have been remained independent.

REPORT OF THE DIRECTORS

COMPETING INTERESTS

As at 31 December 2015, none of the Directors, the controlling shareholders and their respective close associates had any business or interests in a business which competes or is likely to complete, either directly or indirectly, with the business of the Group.

RETIREMENT BENEFITS SCHEME

Particulars of retirement benefits scheme of the Group as at 31 December 2015 are set out in note 35 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the top five customers of the Group accounted for approximately 26.3% (2014: approximately 35.8%) in aggregate of the consolidated revenue. The top five suppliers of the Group accounted for approximately 54.8% (2014: approximately 70.8%) in aggregate of the consolidated cost of sales (excluding direct staff cost) for the Year. In addition, the largest customer of the Group accounted for approximately 7.0% (2014: approximately 11.7%) of the consolidated revenue and the largest supplier of the Group accounted for approximately 17.3% (2014: approximately 20.1%) of the consolidated cost of sales (excluding direct staff cost) for the Year.

To the best knowledge of the Directors, none of the Directors, their close associates or any Shareholders (who, to the best knowledge and belief of the Directors, own more than 5% of the Company's issued share capital) were interested in these major customers or suppliers during the Year.

KEY RELATIONSHIPS WITH CUSTOMERS AND SUPPLIERS

The Group has a diversified customer base with over 90 customers mainly from Hong Kong, PRC and Singapore. In order to maintain relationships with customers, various means have been established to strengthen the communications between the customers and the Group in the provision of customer service towards penetration and expansion. In addition, the Group will continue expanding our sales and marketing team to proactively manage customer relations, expand our customer base and enhance customer loyalty.

The Group does not have any supplier of goods or services which was specific to our Group's business and which was required by our Group on a regular basis to enable our Group to continue to supply or service our customers.

KEY RELATIONSHIPS WITH EMPLOYEES

Human resources are the most valuable asset of the Group. Developing and retaining talents are vital to our success. The Group is committed to providing our employees with a safe, pleasant and healthy working environment. The Group rewards and recognises employees by competitive remuneration package and implements a key performance index scheme with appropriate incentives, and promote career development and progression by providing opportunities for career advancement.

In addition, each department of the Group is responsible for determining its training needs for employee in its department and any suggested applicable training courses either arranged internally or by external service providers shall be submitted to the senior management of the Group for approval. Knowledge, skills and capacities of employees are vital to continuous business growth and success of the Group. The Group strives to ensure that all employees can fulfill the relevant job requirements in terms of education, training, technical and work experience.

EVENTS AFTER THE REPORTING PERIOD

Placing of new shares under general mandate

Subsequent to the Year, on 14 January 2016, the Company and Convoy Securities Limited (as placing agent) entered into a conditional placing agreement ("Placing Agreement"), pursuant to which the Company had conditionally agreed to place through the placing agent, on a best effort basis, up to 800,000,000 new ordinary shares of par value of HK$0.0005 each in the share capital of the Company ("Placing Shares"), to not less than six placees who and whose ultimate beneficial owners are third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK$0.05 per Placing Share ("800M Placing"). The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 5 May 2015. The nominal value of the Placing Shares was HK$400,000 and the net issue price was HK$0.048 per Placing Share. The closing price of the Share on the date of the Placing Agreement was HK$0.059 per Share.

On 27 January 2016, completion of the 800M Placing took place in accordance with the terms and conditions of the Placing Agreement. Immediately after completion of the 800M Placing, an aggregate of 800,000,000 Placing Shares, representing approximately 16.7% of the issued share capital of the Company (as enlarged by the allotment and issue of the Placing Shares), have been successfully placed to not less than six placees. The Company received net proceeds of approximately HK$38,500,000 from the 800M Placing.

The Directors were of the view that the 800M Placing represents good opportunities to broaden the shareholders' base and raise additional funds at a reasonable cost for itself. It was expected that the net proceeds from the placing would be used for financing the Group's money lending business in Hong Kong, future potential acquisitions, investments and treasury management purposes and general working capital of the Group. Details of the 800M Placing are set out in the Company's announcements dated 14 January 2016 and 27 January 2016. As at the date of this report, all net proceeds from the 800M Placing have been utilised for the general working capital of the Group.

Disposal of ChinaQFii Company Limited

On 25 January 2016, One Rich Investments Limited (a wholly-owned subsidiary of the Company) entered into a sale and purchase agreement with Red Phoenix Investment Limited, an independent third party, to dispose of 95% issued share capital of ChinaQFii Company Limited at the consideration of HK$2,400,000. Completion of the disposal took place on 26 January 2016.

Entering into of the Sky View Subscription Agreement and Rolaner Subscription Agreement

On 20 February 2016, Sky View Investment Limited ("Sky View"), Winrange Investments Limited (a wholly-owned subsidiary of the Company) and Amber Rose Holdings Limited ("Amber Rose") entered into an agreement ("Sky View Subscription Agreement") for the subscription of ordinary shares of Sky View ("Sky View Shares") by Winrange and Amber Rose respectively. Pursuant to the Sky View Subscription Agreement, Winrange and Amber Rose have agreed to subscribe for 390 Sky View Shares and 510 Sky View Shares at the subscription price of US$4,948,900 and US$5,151,000 respectively. Immediately before the signing of the Sky View Subscription Agreement, Sky View was 100%-owned by Winrange. Completion of the Sky View Subscription Agreement took place immediately after its signing and Winrange has become interested in 49% of the issued share capital of Sky View. It was the intention of Winrange and Amber Rose that Sky View would act as the holding company of their investment in Rolaner International Limited ("Rolaner") to be acquired under the Rolaner Subscription Agreement (as defined below).

After completion of the Sky View Subscription Agreement, Sky View, Rolaner, Ace Choice Ventures Limited, Legend Cosmo Consultants Limited, Mr. Ren Lingfeng, Mr. Chen Rong, 榮浪信息科技（上海）有限公司 (unofficial English name being Rong Lang Information Technology (Shanghai) Co., Limited) and 羅朗網絡科技（上海）有限公司 (unofficial English name being Luo Lang Internet Technology (Shanghai) Co., Limited) entered into an agreement on 20 February 2016 ("Rolaner Subscription Agreement"), pursuant to which, among other things, Sky View shall subscribe for 22,000,000 preferred shares in the share capital of Rolaner, representing approximately 22.9% of the then enlarged share capital of Rolaner (after completion of the subscription of shares of Rolaner by Alibaba Investment Limited and assuming no shares of Rolaner have been issued pursuant to an employee share option program to be adopted by Rolaner after completion of the Rolaner Subscription Agreement) at the price of US$10,000,000. As at the date of this report, certain conditions precedent are yet to be fulfilled and completion of the Rolaner Subscription Agreement has not yet taken place.

Details of the above subscription agreements and transactions contemplated thereunder are set out in the Company's announcements dated 12 January 2016 and 21 February 2016.

Proposed share consolidation

On 3 March 2016, the Board proposed that every ten (10) existing shares ("Existing Shares") of HK$0.0005 each in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share ("Consolidated Share") of HK$0.005 in the issued and unissued share capital of the Company. As at the date of this report, there were 4,800,000,000 Existing Shares of HK$0.0005 each in issue and fully paid or credited as fully paid. Assuming that no Share will be issued or repurchased from the date of this report up to the date of the extraordinary general meeting to be convened for the Shareholders to consider (and if thought fit) approve the proposed share consolidation, there will be 480,000,000 Consolidated Shares of HK$0.005 each in issue and fully paid or credited as fully paid immediately following the share consolidation. The share consolidation is conditional upon, among other things, the approval of the Shareholders.

Details of the proposed share consolidation are set out in the Company's announcement dated 3 March 2016.

Entering into of the China Universal Acquisition Agreement

On 7 March 2016, Wise Link International Limited ("Wise Link"), an indirect wholly-owned subsidiary of the Company, and Colorful Focus Limited ("Colorful Focus") entered into a sale and purchase agreement ("China Universal Acquisition Agreement"), pursuant to which Wise Link conditionally agreed to purchase and Colorful Focus conditionally agreed to sell the entire issued shares of China Universal Limited ("China Universal") at the consideration of HK$25,900,000. The principal assets of China Universal are certain residential and retail properties in Hong Kong. The acquisition of China Universal was completed on 16 March 2016.

Details of the China Universal Acquisition Agreement are set out in the Company's announcement dated 7 March 2016.

Details of significant events of the Group occuring after the reporting period are set out in note 40 to the consolidated financial statements.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

The related party transactions of the Group as set out in note 37 to the consolidated financial statements constituted fully exempted connected transactions under Chapter 20 of the GEM Listing Rules.

REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions as set out in the CG Code contained in Appendix 15 of the GEM Listing Rules during the Year, except for the deviation as disclosed under the section headed "Chairman and Chief Executive Officer" on page 18 of this annual report. Details of the Group's corporate governance practices adopted by the Board are set out in the Corporate Governance Report on pages 16 to 25 of this annual report.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Ample Capital Limited, as at 31 December 2015, except for the compliance adviser agreement entered into between the Company and Ample Capital Limited dated 17 September 2013, neither Ample Capital Limited nor its directors, employees or close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float required by the GEM Listing Rules during the Year and as at the date of this annual report.

FINANCIAL SUMMARY

A summary of the consolidated financial results and the consolidated assets and liabilities of the Group for the last five financial years is set out on page 121 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCES

As a supporter of environmental protection, the Company strives for efficient and effective use of energy and resources in operation and management level of the Company. Energy conservation is a priority under environmental protection and energy-saving devices are used to reduce power consumption for lights. To enhance environmental awareness and encourage daily participation among the staff, there are policies in relation to energy conservation so as to minimise negative environmental impacts. Energy efficiency practices are enforced as to reduce wastage and avoid utilisation of unnecessary resources including:

(a) The use of electricity in the office of the Group must comply the principles of power saving, safety first, high efficiency and low consumption;

(b) Lights and electronic appliances in living area or workplace must be turned off when not in use;

(c) Every member of staff and management must turn off the power for each department's computers, photocopy machines, printers and facsimile machines when they are off duty or on leave; and

(d) Other than formal documents that require the use of papers, each department is advised to handle documents electronically. When the use of paper is required, each piece of paper must be printed double-sided except for formal and confidential documents.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with relevant requirements could lead to adverse impact on business operation and financial position of the Group. The Board as a whole is responsible to ensure the Group is in compliance with relevant laws and regulations that have a significant impact on the Company. To the best of knowledge of the Directors, the Group has complied with relevant laws and regulations during the year ended 31 December 2015.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. During the Year and up to the date of this annual report, no permitted indemnity provision (as defined in section 9 of the Companies (Directors' Report) Regulation (Cap. 622D of the Laws of Hong Kong) was or is being in force for the benefit of any of the Directors (whether made by the Company or otherwise) or directors of any associated company of the Company (if made by the Company).

AUDITORS

There was no change in the auditors of the Company since the date of its incorporation. HLB Hodgson Impey Cheng Limited, the auditors of the Company for the Year, shall retire in the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-appointment pursuant to article 176(a) of the articles of association of the Company. A resolution will be submitted to the coming annual general meeting of the Company to re-appoint HLB Hodgson Impey Cheng Limited as auditors of the Company.

On behalf of the Board

Chan Sek Keung, Ringo
Chairman

Hong Kong, 17 March 2016

INDEPENDENT AUDITORS' REPORT

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

TO THE SHAREHOLDERS OF FINSOFT FINANCIAL INVESTMENT HOLDINGS LIMITED
(formerly known as Finsoft Corporation and incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Finsoft Financial Investment Holdings Limited (formerly known as Finsoft Corporation) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 42 to 120, 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, the consolidated statement of changes in equity and the 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 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.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Kwok Kin Leung
Practising Certificate Number: P05769

Hong Kong, 17 March 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	**2015** **HK$**	2014 HK$
Revenue	7	**46,231,563**	51,333,947
Cost of sales		**(13,116,558)**	(10,953,996)
Gross profit		**33,115,005**	40,379,951
Other income	9	**52,827**	218,540
Other gains and losses	10	**836,207**	(337,516)
Administrative expenses		**(38,733,455)**	(26,223,776)
Finance costs	11	**(8,685,355)**	–
Share of losses of associates	21	**(124,861)**	(5,655)
Profit/(loss) before tax		**(13,539,632)**	14,031,544
Income tax expense	12	**(2,729,452)**	(2,712,589)
Profit/(loss) and total comprehensive income/(loss) for the year	13	**(16,269,084)**	11,318,955
Profit/(loss) and total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		**(15,895,576)**	11,318,955
Non-controlling interests		**(373,508)**	–
		(16,269,084)	11,318,955
Earnings/(loss) per share			
– Basic and diluted (HK cents per share)	17	**(0.397)**	0.283

The accompanying notes form an integral part of these consolidated financial statements. Details of dividend are disclosed in note 16 to the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015

	Notes	2015 HK$	2014 HK$
Non-current assets			
Property, plant and equipment	18	**2,920,492**	2,793,418
Goodwill	19	**1,872,978**	1,670,008
Intangible assets	20	**5,722,164**	5,745,431
Investments in associates	21	**19,862,139**	–
Available-for-sale investments	22	**20,500,000**	–
Total non-current assets		**50,877,773**	10,208,857
Current assets			
Intangible assets	20	**2,932,000**	–
Trade and other receivables, deposits and prepayments	23	**13,817,686**	13,976,825
Loans receivable	24	**26,200,000**	4,000,000
Financial assets at fair value through profit or loss	25	**12,671,740**	9,265,212
Cash and cash equivalents	26	**78,111,106**	45,320,755
Total current assets		**133,732,532**	72,562,792
Current liabilities			
Trade and other payables and accruals	27	**31,489,967**	20,502,465
Current tax liabilities		**2,565,045**	959,761
Loan notes	28	**99,957,082**	–
Contingent consideration payable	21	**3,331,166**	–
Total current liabilities		**137,343,260**	21,462,226
Net current assets/(liabilities)		**(3,610,728)**	51,100,566
Total assets less current liabilities		**47,267,045**	61,309,423
Non-current liabilities			
Deferred tax liabilities	29	**1,493,102**	1,042,896
Net assets		**45,773,943**	60,266,527
Capital and reserves			
Share capital	30	**2,000,000**	2,000,000
Reserves	32	**42,560,059**	58,266,527
Equity attributable to owners of the Company		**44,560,059**	60,266,527
Non-controlling interests		**1,213,884**	–
Total equity		**45,773,943**	60,266,527

The consolidated financial statements were approved and authorised for issue by the board of directors of the Company (the "Board") on 17 March 2016 and signed on its behalf by:

Li Hoi Kong
Director

Lawrence Tang
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Attributable to owners of the Company						
	Share capital HK$ (note 30)	Share premium HK$ (note 32(a))	Merger reserve HK$ (note 32(b))	Retained profits HK$	Subtotal HK$	Attributable to non-controlling interests HK$	Total HK$
At 1 January 2014	2,000,000	34,609,605	77,794	12,260,173	48,947,572	–	48,947,572
Profit and total comprehensive income for the year	–	–	–	11,318,955	11,318,955	–	11,318,955
At 31 December 2014	2,000,000	34,609,605	77,794	23,579,128	60,266,527	–	60,266,527
Loss and total comprehensive loss for the year	**–**	**–**	**–**	**(15,895,576)**	**(15,895,576)**	**(373,508)**	**(16,269,084)**
Capital contribution from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**1,387,500**	**1,387,500**
Change in ownership interests in subsidiaries without change of control (note)	**–**	**–**	**–**	**189,108**	**189,108**	**199,892**	**389,000**
At 31 December 2015	**2,000,000**	**34,609,605**	**77,794**	**7,872,660**	**44,560,059**	**1,213,884**	**45,773,943**

The accompany notes form an integral part of these consolidated financial statements.

Note:

Immediately before the SL Subscription (as defined below), Winrange Investments Limited ("Winrange"), a wholly-owned subsidiary of the Company, held 100% issued share capital of Sky Luck International Limited ("Sky Luck"), a company incorporated in the British Virgin Islands with limited liability which in turn held 100% of the issued share capital of KL Securities Investment Services Limited ("KL Securities", now known as Fortune Tao Financial Network Company Limited), a company incorporated in Hong Kong with limited liability. On 4 February 2015, new shares of Sky Luck were allotted and issued to each of Winrange and two independent third parties ("SL Subscription"), resulting in each of them holding 51.0%, 24.5% and 24.5% of the issued share capital of Sky Luck respectively. The SL Subscription constituted a dilution of equity interest of Sky Luck and KL Securities by the Company and immediately after the SL Subscription, each of Sky Luck and KL Securities became an indirect 51%-owned subsidiary of the Company. On 23 September 2015, Winrange acquired from the two independent third parties the 49% issued share capital of Sky Luck ("SL Acquisition"). Immediately after the SL Acquisition, each of Sky Luck and KL Securities became a wholly-owned subsidiary of the Company.

Immediately before the ChinaQFii Subscription (as defined below), Winrange held 100% issued share capital of One Rich Investments Limited ("One Rich"), a company incorporated in the British Virgin Islands with limited liability which in turn held 100% of the issued share capital of ChinaQFii Company Limited ("ChinaQFii"), a company incorporated in Hong Kong with limited liability. On 25 August 2015, new shares of ChinaQFii were allotted and issued to an independent third party ("ChinaQFii Subscription"), resulting in such independent third party holding 5% of the issued share capital of ChinaQFii. The ChinaQFii Subscription constituted a dilution of equity interest of ChinaQFii by the Company and immediately after the ChinaQFii Subscription, ChinaQFii became an indirect 95%-owned subsidiary of the Company.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Notes	2015 HK$	2014 HK$
Cash flows from operating activities			
Profit/(loss) before tax		**(13,539,632)**	14,031,544
Adjustments for:			
– Interest income		**(49,046)**	(181,488)
– Interest expense on loan notes		**8,684,082**	–
– Other interest expense		**1,273**	–
– Depreciation of property, plant and equipment		**1,377,650**	629,472
– Amortisation of intangible assets		**1,613,158**	375,441
– Fair value gain on financial assets designated as at fair value through profit or loss		**(399,540)**	–
– Impairment loss on goodwill		**752,032**	–
– Impairment loss on other receivables		**–**	49,880
– Impairment loss on trade receivables		**307,400**	165,000
– Gain on disposal of a subsidiary		**(1,562,720)**	–
– Loss on disposal of property, plant and equipment		**66,621**	119,724
– Loss on dissolution of an associate		**–**	6,830
– Share of losses of associates		**124,861**	5,655
Operating cash flows before movements in working capital		**(2,623,861)**	15,202,058
Decrease/(increase) in trade and other receivables, deposits and prepayments		**331,641**	(5,220,844)
Increase in loans receivable		**(22,200,000)**	(4,000,000)
Increase in financial assets at fair value through profit or loss		**(506,988)**	(9,265,212)
Increase in trade and other payables and accruals		**4,726,498**	7,784,954
Cash generated from/(used in) operations		**(20,272,710)**	4,500,956
Hong Kong profits tax paid		**(1,742,685)**	(614,579)
Net cash flows from/(used in) operating activities		**(22,015,395)**	3,886,377
Cash flows from investing activities			
Interest received		**49,046**	181,488
Purchases of property, plant and equipment		**(1,697,897)**	(2,524,377)
Expenditures on systems development	20	**(1,589,891)**	(3,202,786)
Investments in associates		**(9,993,500)**	(151,530)
Proceeds from dissolution of an associate		**–**	140,602
Acquisition of subsidiaries	33	**(5,204,581)**	(1,199,218)
Disposal of a subsidiary	34	**3,194,342**	–
Purchases of available-for-sale investments		**(20,500,000)**	–
Purchase of convertible bond designated as at fair value through profit or loss		**(2,500,000)**	–
Net cash flows used in investing activities		**(38,242,481)**	(6,755,821)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2015

	Notes	2015 HK$	2014 HK$
Cash flows from financing activities			
Net proceeds from issue of loan notes		**96,288,000**	–
Interest paid for loan notes		**(5,015,000)**	–
Other interest expense paid		**(1,273)**	–
Capital contribution from non-controlling shareholders of subsidiaries		**1,776,500**	–
Net cash flows from financing activities		**93,048,227**	–
Net increase/(decrease) in cash and cash equivalents		**32,790,351**	(2,869,444)
Cash and cash equivalents at the beginning of year		**45,320,755**	48,190,199
Cash and cash equivalents at the end of year		**78,111,106**	45,320,755

1. GENERAL INFORMATION

Finsoft Financial Investment Holdings Limited ("Company") was incorporated in the Cayman Islands on 18 December 2012 as an exempted company with limited liability under the Companies Law of the Cayman Islands and its shares were listed on Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited ("Stock Exchange") on 26 September 2013. As at 31 December 2015, the Company is held as to approximately 29.10% by Luster Wealth Limited, which is owned as to approximately 89.87% by Woodstock Management Limited, which is in turn wholly-owned by Mr. Chan Sek Keung, Ringo, the non-executive director and chairman of the Board. The address of the Company's registered office is Clifton House, 75 Fort Street, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The address of the Company's principal place of business in Hong Kong is 23/F, W Square, 318 Hennessy Road, Wanchai, Hong Kong.

By a special resolution passed on 4 June 2015, the name of the Company was changed from "Finsoft Corporation" to "Finsoft Financial Investment Holdings Limited", and the Chinese translation of the Company's name for identification purposes was changed from "匯財軟件公司" to "匯財金融投資控股有限公司". The Registrar of Companies in the Cayman Islands issued the certificate of incorporation on change of name and the Registrar of Companies in Hong Kong issued the certificate of registration of alteration of name of registered non-Hong Kong company on 8 June 2015 and 16 July 2015 respectively.

The Company, an investment holding company, and its subsidiaries (collectively, "Group") is principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments, provision of corporate finance advisory services and provision of property management and property agency services in Hong Kong.

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

1. GENERAL INFORMATION (continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
ChinaQFii Company Limited	Hong Kong	HK$389,095	95% (indirect)	Provision of referral services
Dealmatch.com Limited	Hong Kong	HK$100	100% (indirect)	Provision of referral services and securities investments
DSE Cayman Limited	Cayman Islands	US$10	92.50% (indirect)	Investment holding
Finsoft Corporate Finance Limited	Hong Kong	HK$3,000,000	100% (indirect)	Advising on corporate finance
Finsoft E-Commerce Limited	Hong Kong	HK$100	100% (indirect)	Provision of internet financial platforms
Finsoft Finance Limited	Hong Kong	HK$100	100% (indirect)	Money lending
Finsoft FinTech Investment Limited	Hong Kong	HK$100	100% (indirect)	Investment holding
Finsoft Investment (HK) Limited	Hong Kong	HK$100	100% (indirect)	Securities investments
Finsoft Investment Limited	British Virgin Islands ("BVI")	US$100	100% (indirect)	Investment holding
Finsoft Investment Management Limited	Hong Kong	HK$100	100% (indirect)	Provision of corporate investments and management services
Fortune Tao Financial Network Company Limited (formerly known as KL Securities Investment Services Limited)	Hong Kong	HK$10,000,000	100% (indirect)	Provision of financial information technology services
Full Profit Property Services Company Limited	Hong Kong	HK$1	100% (indirect)	Provision of property management and property agency services

1. GENERAL INFORMATION (continued)

Information about subsidiaries (continued)

Name	Place of incorporation/ operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Gracious Queen Limited	BVI	US$1	100% (indirect)	Provision of administrative support to the Group
iAsia Online Systems Limited	BVI	US$10	100% (indirect)	Development, sale and provision of financial trading software solutions
Infinite Capital Ventures Limited	BVI	US$10,000	100% (direct)	Investment holding
One Rich Investments Limited	BVI	US$1	100% (indirect)	Investment holding
Sky Luck International Limited	BVI	US$1,000	100% (indirect)	Investment holding
Wealthy Link Technology Limited	Hong Kong	HK$1	100% (indirect)	Development of financial trading software solutions
Well In Technology Development Limited	Hong Kong	HK$1	100% (indirect)	Development of mobile e-commerce platform
Winrange Investments Limited	BVI	US$100	100% (direct)	Investment holding
Wise Link International Limited	BVI	US$100	100% (indirect)	Investment holding

The above table lists the subsidiaries of the Company which, in the opinion of the directors ("Directors") of the Company, principally affected the results or assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the Directors of the Company, result in particulars of excessive length.

The subsidiaries of the Group do not have material non-controlling interests.

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions

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

New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
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 (2011)	Equity Method in Separate Financial Statements[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[1]
Amendments to HKFRS 10 and HKAS 28 (2011)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exceptions[1]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[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 Effective for annual periods beginning on or after a date to be determined.

HKFRS 9 Financial Instruments

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

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

New and revised HKFRSs in issue but not yet effective (continued)

HKFRS 9 Financial Instruments (continued)

Key requirements of HKFRS 9 are described below:

- 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 accounting 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 the 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.

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

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

New and revised HKFRSs in issue but not yet effective (continued)

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 of the Company anticipate that the application of HKFRS 15 in the future may have an 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.

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 of the Company 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.

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

New and revised HKFRSs in issue but not yet effective (continued)

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 assets respectively. The Directors of the Company 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 of the Company do not anticipate that the application of these amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

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

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

New and revised HKFRSs in issue but not yet effective (continued)

Amendments to HKFRS 10 and HKAS 28 (2011) 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 Directors of the Company anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) 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 of the Company 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.

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

New and revised HKFRSs in issue but not yet effective (continued)

Amendments to HKFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 12 *Income Taxes* regarding the recognition of deferred taxes at the time of acquisition and HKAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

The amendments should be applied prospectively to acquisitions of interests in joint operations (in which the activities of the joint operations constitute businesses as defined in HKFRS 3) occurring from the beginning of annual periods beginning on or after 1 January 2016. The Directors of the Company do not anticipate that the application of these amendments to HKFRS 11 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

The Directors of the Company do not anticipate that the application of other new and revised standards and amendments to HKFRSs will have a material effect on the amounts recognised in the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

The provisions of the new Hong Kong Companies Ordinance (Cap.622) regarding preparation of accounts and directors' report and audits became effective for the Company for the financial year ended 31 December 2015. Further, the disclosure requirements set out in the GEM Listing Rules regarding annual accounts have been amended with reference to the new CO and to streamline with HKFRSs. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 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 GEM Listing Rules but not under the new CO or amended GEM Listing Rules are not disclosed in these consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for 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 *Share-based Payment*, leasing transactions that are within the scope of HKAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

The consolidated financial statements have been prepared on a going concern basis which assumes the realisation of assets and discharge its liabilities in the ordinary course of business notwithstanding that the Group incurred a net loss of HK$16,269,084 during the year ended 31 December 2015 and, as of that date, the Group's current liabilities exceeded its current assets by HK$3,610,728.

Nevertheless, the Directors of the Company had adopted the going concern basis in the preparation of the consolidated financial statements of the Group based on the fact that subsequent to the end of the reporting period, the Group have been successfully placed 800,000,000 new ordinary shares of par value of HK$0.0005 each in the share capital of the Company and received net proceeds of approximately HK$38,500,000 from the placing.

Provided that these measures can successfully improve the liquidity of the Group, the Directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and 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.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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 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.

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

All intra-group 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.

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 interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

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 the 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 their 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in subsidiaries

Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from consolidation from the date that control ceases.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. 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, form 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 *Financial Instruments: Recognition and Measurement* 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 to 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates (continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. 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 and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts.

Revenue from sales of hardware is recognised upon satisfactory delivery and when the ownership has been transferred to the customers.

Revenue from sales of customised software systems and platforms are recognised on the percentage of completion method, measured by reference to the proportion of service completed to date to the estimated total services of the relevant contract.

Revenue from provision of system customisation and network support services are recognised on completion of the customisation and network support work which generally coincides with the time when the customised software and network support work is accepted by the customers.

Revenue from provision of software maintenance services, licensing and hosting fees are recognised on a straight-line basis over the period of respective agreements.

Revenue from referral services, software solutions and platforms consultancy services, corporate finance advisory services and property management and property agency services are recognised when services are rendered.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

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.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the 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.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Share-based payment arrangements

Share-based payment transactions of the Company

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.

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 share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When 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 retained profits.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value 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 option reserve), when the Group obtains the goods or when the courterparties render services, unless the goods or services qualify for recognition as assets.

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit/(loss) before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of items 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax

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 goodwill or from the initial recognition (other than in a business combination) of other 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.

Current and deferred tax for the year

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Intangible assets

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any). Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are internally-generated. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and 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 when the asset is derecognised.

Impairment on tangible and intangible assets other than goodwill

At the end of each 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand, at banks and securities brokers, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Financial instruments

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

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 and 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"), "available-for-sale" ("AFS") financial assets 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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 instruments, 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 other than those financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or 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 it in the near term; or
- on initial recognition it is a part of a 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.

A financial asset other than a financial asset held for trading 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 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Financial assets at FVTPL (continued)

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on 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.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables; (b) held-to-maturity investments; or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on AFS equity investments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate prevailing at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period (see the accounting policy in respect of impairment loss on financial assets below).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

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, deposits, loans receivable and cash and cash equivalents) 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.

Impairment of 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 investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other 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 assets, such as trade and loans receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. 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 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 estimated future cash flows discounted at the financial asset's original effective interest rate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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 loans receivables, 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 loans receivables is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the 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.

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Classification as debt or equity

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 a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability 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 liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is a part of a 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.

A financial liability other than a financial liability 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 liability 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 liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Other financial liabilities

Other financial liabilities (including trade and other payables and accruals and loan notes) are subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

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 other than those financial liabilities classified as at FVTPL.

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 recognise 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

- (i) has control or joint control of the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, management is 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 underlying 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 ongoing 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 estimations (see below), that management has 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.

Research and development costs

Careful judgement by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at the end of the reporting period. In addition, all internal activities related to the research and development of new software systems are continuously monitored by the Group's management.

Property agency service contracts

Careful judgement by the Group's management is applied when deciding whether the recognition requirements for expected revenue generated from property agency service contracts have been met. This is necessary as the business outcomes are uncertain and may be subject to future revenue generation at the time of recognition. Judgements are based on the best information available at the end of the reporting period.

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 have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for doubtful debts

The policy for impairment loss on trade and loans receivables of the Group is based on the evaluation of the collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

Impairment of capitalised systems development costs

Determining whether capitalised systems development costs are impaired requires an estimation of the recoverable amount determined by the value in use of the capitalised systems development costs. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the capitalised systems development costs and a suitable discount rate in order to calculate the present value. The Group carries out an impairment review assessment on the capitalised systems development costs at the end of each reporting period.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where observable market data are not available, the Group engages independent qualified valuers to perform the valuation and works closely with independent qualified valuers to establish the appropriate valuation techniques and inputs to the model.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. The use of valuation models and assumptions in valuing these financial instruments is subjective and requires varying degrees of judgement.

5. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the 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 2014.

A subsidiary of the Group is licensed with Securities and Futures Commission ("SFC") for the business it operates in. The Group's licensed subsidiary is subject to liquid capital requirements under Securities and Futures (Financial Resources) Rules ("SF(FR)R") (Chapter 571N of the laws of Hong Kong) adopted by the SFC. Under SF(FR)R, the licensed subsidiary must maintain a liquid capital (assets and liabilities adjusted as determined by SF(FR)R) in excess of HK$100,000 or 5% of its total adjusted liabilities, whichever is higher. Management closely monitors, on a daily basis, the liquid capital level of that licensed subsidiary to ensure compliance with the minimum liquid capital requirements under SF(FR)R.

The Directors of the Company review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. The Group seeks to balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. For the licensed subsidiary, the Group ensures it will maintain a liquid capital level adequate to support the level of activities with sufficient buffer to accommodate for increases in liquidity requirements arising from potential increases in the level of business activities.

5. CAPITAL MANAGEMENT (continued)

The capital structure of the Group consists of net debt (which includes borrowings net of cash and cash equivalents) and equity attributable to owners of the Company (comprising issued share capital and reserves).

The net debt-to-equity ratio as at the end of the reporting period are as follows:

	2015	2014
	HK$	HK$
Debts	**99,957,082**	–
Cash and cash equivalents	**(78,111,106)**	(45,320,755)
Net debt	**21,845,976**	(45,320,755)
Equity	**44,560,059**	60,266,527
Net debt-to-equity ratio	**49.0%**	N/A

6. FINANCIAL INSTRUMENTS

(a) The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2015

	Financial assets at fair value through profit or loss				
	Designated as such upon initial recognition	Held for trading	Loans and receivables	Available-for-sale financial assets	Total
	HK$	HK$	HK$	HK$	HK$
Financial assets					
Available-for-sale investments	–	–	–	20,500,000	20,500,000
Trade and other receivables and deposits	–	–	12,584,608	–	12,584,608
Financial assets at fair value through profit or loss	2,899,540	9,772,200	–	–	12,671,740
Loans receivable	–	–	26,200,000	–	26,200,000
Cash and cash equivalents	–	–	78,111,106	–	78,111,106
	2,899,540	9,772,200	116,895,714	20,500,000	150,067,454

6. FINANCIAL INSTRUMENTS (continued)

(a) The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

2015

	Financial liabilities at fair value through profit or loss HK$	Financial liabilities at amortised cost HK$	Total HK$
Financial liabilities			
Financial liabilities included in trade and other payables and accruals	**–**	**21,429,973**	**21,429,973**
Loan notes	**–**	**99,957,082**	**99,957,082**
Contingent consideration payable	**3,331,166**	**–**	**3,331,166**
	3,331,166	**121,387,055**	**124,718,221**

2014

	Financial assets at fair value through profit or loss - held for trading HK$	Loans and receivables HK$	Total HK$
Financial assets			
Trade and other receivables and deposits	–	13,306,983	13,306,983
Financial assets at fair value through profit or loss	9,265,212	–	9,265,212
Loan receivable	–	4,000,000	4,000,000
Cash and cash equivalents	–	45,320,755	45,320,755
	9,265,212	62,627,738	71,892,950

	Financial liabilities at amortised cost HK$
Financial liabilities	
Financial liabilities included in trade and other payables and accruals	10,691,204

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies

The Group's major financial instruments include trade and other receivables and deposits, available-for-sale investments, financial assets at fair value through profit or loss, loans receivable, cash and cash equivalents, trade and other payables and accruals, loan notes and contingent consideration payable. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and 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

Foreign currency risk management

Substantially all the revenue-generating operations of the Group were transacted in Hong Kong dollars, which is the functional currency and the presentation currency of the Group. The Group therefore does not have significant foreign currency risk.

Interest rate risk management

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing financial assets and liabilities. Interest-bearing financial assets are mainly deposits with banks and loans receivables. Interests on deposits with banks and loans receivables are principally based on deposit rates offered by banks in Hong Kong and fixed rates, respectively. Interest-bearing financial liabilities are loan notes at fixed interest rates.

All of the Group's loans receivable are based on fixed interest rates and short in duration with original maturities in range of 2.5 to 12 months. The Group prices these loans receivable strategically to reflect market fluctuations and achieve a reasonable interest-rate spread. Loan notes carried a fixed interest of 10% per annum payable in arrears. The fixed rate instruments of the Group are insensitive to any change in market interest rates.

As the Group have no significant variable-rate interest-bearing financial assets, except for short-term bank deposits, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing financial assets resulted from the changes in interest rates because the interest rates of bank deposits are relatively low and not expected to change significantly.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging the significant interest rate exposure should the need arise.

Other price risks

The Group is exposed to equity price risk mainly through its investment in listed equity securities. The management manages this exposure by closely monitoring the price movements and the changes in market conditions that may affect the value of these investments.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies (continued)

Market risk (continued)

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the end of the reporting period. A 10% change represents the management's assessment of a reasonably possible change in equity price.

If equity prices had been 10% higher/lower, with other variables held constant, the Group's post-tax loss would decrease/increase by approximately HK$977,000 (2014: post-tax profit would increase/decrease by approximately HK$927,000) for the year ended 31 December 2015. This is mainly due to the changes in fair value of held-for-trading investments.

Credit risk management

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the Directors of the Company closely monitors the overall level of credit exposure and the management is responsible for determination of credit approvals and monitors the implementation of the collection procedure to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors of the Company consider that the Group's credit risk is significantly reduced.

In respect of loans receivable, the management manages and analyses the credit risk for each of their new and existing customers before standard payment terms and conditions are offered. The management assesses the credit quality of each customer based on the customer's background information, financial position, past experience and other relevant factors. The Group also reviews from time to time the financial conditions of the customers.

The Group has no significant concentration of credit risk on trade and loans receivables, with exposure spread over a number of customers.

The credit risk on liquid funds is limited because the counterparties are banks with good reputation or high credit ratings assigned by international credit-rating agencies. Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Directors of the Company, which has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Liquidity table

The following table detail the Group's remaining contractual maturity for its non-derivative financial liabilities. 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.

	On demand or within one year HK$	Over one year HK$	Total undiscounted cash flows HK$	Total carrying amount HK$
Non-derivative financial liabilities				
At 31 December 2015				
Financial liabilities included in trade and other payables and accruals	**21,429,973**	**–**	**21,429,973**	**21,429,973**
Loan notes	**105,315,000**	**–**	**105,315,000**	**99,957,082**
	126,744,973	**–**	**126,744,973**	**121,387,055**
At 31 December 2014				
Financial liabilities included in trade and other payables and accruals	10,691,204	–	10,691,204	10,691,204

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

The following table presents the Group's financial assets and financial liabilities that are measured at fair value:

	As at 31 December 2015			
	Level 1 HK$	**Level 2 HK$**	**Level 3 HK$**	**Total HK$**
Financial assets				
Financial assets held for trading				
– listed equity securities	**9,772,200**	**–**	**–**	**9,772,200**
Financial assets designated as at fair value through profit or loss				
– convertible bond	**–**	**–**	**2,899,540**	**2,899,540**
	9,772,200	**–**	**2,899,540**	**12,671,740**
Financial liabilities				
Financial liabilities at fair value				
– contingent consideration payable	**–**	**–**	**3,331,166**	**3,331,166**

	As at 31 December 2014			
	Level 1 HK$	Level 2 HK$	Level 3 HK$	Total HK$
Financial assets				
Financial assets held for trading				
– listed equity securities	9,265,212	–	–	9,265,212

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the quoted market bid price. These instruments are included in level 1.

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use-of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the changes in Level 3 of financial instruments for the year ended 31 December 2015. There are no instruments classified under Level 3 held by the Group as at 31 December 2014.

	Convertible bond HK$ (note 25)	**Contingent consideration payable HK$ (note 21)**
At 1 January 2015	–	–
On initial recognition	2,500,000	3,331,166
Fair value gain recognised in profit or loss, net	399,540	–
At 31 December 2015	**2,899,540**	**3,331,166**

At 31 December 2015, there were no investments classified under Level 2 and there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 during the year ended 31 December 2015.

At 31 December 2014, there were no investments classified under Level 2 and Level 3 and there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 during the year ended 31 December 2014.

The convertible bond has been calculated based on discounted cash flows analysis and Binomial Model on the debt component and conversion option component respectively, with the most significant unobservable inputs are (i) discount rate of 12.37% and (ii) expected volatilities of 75.68%. A significant increase/(decrease) in discount rate would result in a significant (decrease)/increase in the fair value of the convertible bond and a significant increase/(decrease) in expected volatilities would result in a significant increase/(decrease) in the fair value of the convertible bond.

The contingent consideration payable has been calculated based on discounted cash flows analysis, with the most significant unobservable inputs are (i) the projected net profit of Four Directions Investment Limited and its subsidiaries for the two years ending 31 December 2016 and 2017 ranging from approximately HK$13,359,000 to HK$15,163,000 and (ii) discount rate of 17.73%. A significant increase/(decrease) in discount rate would result in a significant (decrease)/increase in the fair value of the contingent consideration payable.

7. REVENUE

An analysis of the Group's revenue from its major products and services for the year is as follows:

	2015 HK$	2014 HK$
Sales of hardware	**783,020**	1,284,009
Sales of technology software systems	**6,018,602**	8,270,121
System customisation and network support	**6,491,086**	2,853,289
Software maintenance services	**9,300,084**	8,916,971
Software licensing fee	**17,500,101**	12,483,518
Hosting and related services fee	**2,412,612**	1,458,853
Other internet financial platforms services income	**4,938,000**	6,160,000
Interest income on loan financing	**1,690,866**	243,260
Referral services fee	**501,989**	9,608,092
Corporate finance advisory and related services fee	**1,027,000**	–
Net fair value gain/(loss) on financial assets at fair value through profit or loss	**(4,711,791)**	52,954
Dividend income from listed equity securities	**279,994**	2,880
	46,231,563	51,333,947

8. SEGMENT INFORMATION

Information reported to the Directors of the Company, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

In prior year, (i) revenue arising from provision of referral services to source, identify and refer prospective deal opportunities to interest parties was reported under the segment of referral; and (ii) revenue arising from provision of corporate finance advisory services was reported under the segment of corporate finance. Following a change in the Group's operating and reporting structure in 2015 such business activities are combined into a single operating segment, referral and corporate finance segment, before being reported to the CODM and accordingly, the CODM now reviews the Group's internal reporting, assesses the performance and allocates the resources of the Group to the referral and corporate finance businesses as a whole. Certain comparative figures have been reclassified to conform with current year's presentation. During the year ended 31 December 2015, the Group acquired a subsidiary and the CODM has identified a new operating segment as property management and property agency services.

The Group's reportable and operating segments under HKFRS 8 are as follows:

(a) Financial trading software solutions – development, sale and provision of financial trading software solutions with the principal products being trading and settlement systems of financial products for financial institutions;

(b) Other internet financial platforms – provision of e-commerce platforms, other online consultancy services and provision of other financial information;

(c) Money lending – provision of loan financing;

(d) Securities investments – trading of listed securities;

(e) Referral and corporate finance – provision of referral services to source, identify and refer prospective deal opportunities to interested parties and provision of corporate finance advisory services; and

(f) Property management and property agency services – provision of property management and agency services.

8. SEGMENT INFORMATION (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Financial trading software solutions HK$	Other internet financial platforms HK$	Money lending HK$	Securities investments HK$	Referral and corporate finance HK$	Property management and property agency services HK$	Elimination HK$	Total HK$
For the year ended 31 December 2015								
Segment revenue								
Revenue from external customers	**42,505,505**	**4,938,000**	**1,690,866**	**(4,431,797)**	**1,528,989**	**–**	**–**	**46,231,563**
Inter-segment sales*	**1,735,448**	**1,601,000**	**–**	**–**	**200,000**	**–**	**(3,536,448)**	**–**
	44,240,953	**6,539,000**	**1,690,866**	**(4,431,797)**	**1,728,989**	**–**	**(3,536,448)**	**46,231,563**
Segment profit/(loss)	**14,524,525**	**(4,205,538)**	**926,986**	**(4,909,397)**	**(6,259,424)**	**–**	**–**	**77,152**
Interest income								**49,046**
Unallocated gains and losses								**1,962,260**
Share of loss of an associate								**(124,861)**
Central administration costs								**(6,817,874)**
Finance costs								**(8,685,355)**
Loss before tax								**(13,539,632)**
For the year ended 31 December 2014 (restated)								
Segment revenue								
Revenue from external customers	35,266,761	6,160,000	243,260	55,834	9,608,092	–	–	51,333,947
Inter-segment sales*	88,533	–	–	–	–	–	(88,533)	–
	35,355,294	6,160,000	243,260	55,834	9,608,092	–	(88,533)	51,333,947
Segment profit	11,774,410	4,603,194	147,311	24,954	114,004	–	–	16,663,873
Interest income								181,488
Unallocated gains and losses								(6,830)
Share of losses of associates								(5,655)
Central administration costs								(2,801,332)
Profit before tax								14,031,544

* Inter-segment sales are conducted with reference to the prices charged to third parties.

The accounting policies of the operating segments are the same as the Group's accounting policies as defined in note 3. Segment profit/(loss) represents the profit earned/loss incurred by each segment without allocation of interest income on bank deposits, gain on disposal of a subsidiary, fair value gain on financial asset designated as at fair value through profit or loss, share of losses of associates, loss on dissolution of an associate, central administration costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

8. SEGMENT INFORMATION (continued)

Segment assets and liabilities

	Financial trading software solutions HK$	Other internet financial platforms HK$	Money lending HK$	Securities investments HK$	Referral and corporate finance HK$	Property management and property agency services HK$	Total HK$
As at 31 December 2015							
Segment assets	**13,478,406**	**3,855,398**	**26,828,445**	**9,772,200**	**1,842,764**	**6,288,304**	**62,065,517**
Corporate and unallocated assets							**122,544,788**
Consolidated assets							**184,610,305**
Segment liabilities	**22,540,541**	**559,576**	**66,000**	**–**	**350,350**	**15,000**	**23,531,467**
Corporate and unallocated liabilities							**115,304,895**
Consolidated liabilities							**138,836,362**
As at 31 December 2014 (restated)							
Segment assets	13,819,858	7,485,283	4,312,315	9,265,212	2,068,168	–	36,950,836
Corporate and unallocated assets							45,820,813
Consolidated assets							82,771,649
Segment liabilities	19,489,639	279,441	35,550	–	656,162	–	20,460,792
Corporate and unallocated liabilities							2,044,330
Consolidated liabilities							22,505,122

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

- all assets are allocated to the operating segments other than the investments in associates, available-for-sale investments, cash and cash equivalents, financial asset designated as at fair value through profits or loss and other corporate and unallocated assets. Goodwill is allocated to each of the respective operating segments; and

- all liabilities are allocated to the operating segments other than the current and deferred tax liabilities, loan notes, contingent consideration payable, consideration payable and other corporate and unallocated liabilities.

8. SEGMENT INFORMATION (continued)

Other segment information (included in the measure of segment profit or loss or regularly provided to the CODM)

	Financial trading software solutions HK$	Other internet financial platforms HK$	Money lending HK$	Securities investments HK$	Referral and corporate finance HK$	Property management and property agency services HK$	Total HK$
For the year ended 31 December 2015							
Depreciation	**590,578**	**442,556**	**6,485**	**–**	**338,031**	**–**	**1,377,650**
Amortisation of intangible assets	**1,613,158**	**–**	**–**	**–**	**–**	**–**	**1,613,158**
Loss on disposal of property, plant and equipment	**–**	**45,954**	**–**	**–**	**20,667**	**–**	**66,621**
Impairment loss on trade receivables	**307,400**	**–**	**–**	**–**	**–**	**–**	**307,400**
Impairment loss on goodwill	**–**	**752,032**	**–**	**–**	**–**	**–**	**752,032**
Additions to non-current assets (note)	**1,873,670**	**1,306,433**	**7,089**	**–**	**100,596**	**1,247,945**	**4,535,733**
For the year ended 31 December 2014 (restated)							
Depreciation	399,688	85,930	844	–	142,811	–	629,273
Unallocated depreciation							199
Total depreciation of property, plant and equipment							629,472
Amortisation of intangible assets	375,441	–	–	–	–	–	375,441
Loss on disposal of property, plant and equipment	–	114,424	–	–	5,300	–	119,724
Impairment loss on trade receivables	165,000	–	–	–	–	–	165,000
Impairment loss on other receivables	49,880	–	–	–	–	–	49,880
Additions to non-current assets	4,438,575	1,478,809	15,200	–	766,108	–	6,698,692
Unallocated additions							11,937
Total additions to non-current assets (note)							6,710,629

Note: Non-current assets excluded investments in associates and non-current financial instruments.

8. SEGMENT INFORMATION (continued)

Geographical information

The Company is domiciled in the Cayman Islands with the Group's major operations located in Hong Kong. Substantially all of the Group's revenue from external customers are derived from Hong Kong. All the non-current assets of the Group are located in Hong Kong.

Information about major customers

Revenue from customers contributed to 10% or more of the Group's total revenue is as follows:

	2015 HK$	2014 HK$
Customer A	N/A[1]	6,000,000[2]

1 Revenue from the corresponding customer did not contribute over 10% of the Group's total revenue

2 Revenue was from the other internet financial platforms segment

9. OTHER INCOME

	2015 HK$	2014 HK$
Interest income on bank deposits	49,046	181,488
Sundry income	3,781	37,052
	52,827	218,540

10. OTHER GAINS AND LOSSES

	2015 HK$	2014 HK$
Gain on disposal of a subsidiary (note 34)	1,562,720	–
Impairment loss on goodwill	(752,032)	–
Impairment loss on trade receivables	(307,400)	(165,000)
Impairment loss on other receivables	–	(49,880)
Loss on dissolution of an associate	–	(6,830)
Loss on disposal of property, plant and equipment	(66,621)	(119,724)
Fair value gain on financial assets designated as at fair value through profit or loss	399,540	–
Net foreign exchange gain	–	3,918
	836,207	(337,516)

11. FINANCE COSTS

	2015 HK$	2014 HK$
Interest expense on loan notes (note 28)	8,684,082	–
Other interest expense	1,273	–
	8,685,355	–

12. INCOME TAX EXPENSE

	2015 HK$	2014 HK$
Current – Hong Kong		
– Charge for the year	2,733,089	2,207,074
– Under provision in prior years	29,937	14,443
	2,763,026	2,221,517
Deferred (note 29)	(33,574)	491,072
Total income tax recognised in profit or loss	2,729,452	2,712,589

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both years.

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

	2015 HK$	2014 HK$
Profit/(loss) before tax	(13,539,632)	14,031,544
Tax at Hong Kong Profits Tax rate of 16.5% (2014: 16.5%)	(2,234,039)	2,315,205
Tax effect of expenses not deductible for tax purpose	1,933,658	119,116
Tax effect of income not taxable for tax purpose	(378,041)	(39,347)
Tax effect of temporary differences not recognised	(11,184)	(159,699)
Tax effect of tax losses not recognised	3,425,650	480,169
Tax effect of share of losses of associates	20,602	–
Others	(57,131)	(17,298)
Under provision in prior years	29,937	14,443
Income tax expense for the year	2,729,452	2,712,589

13. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at after charging/(crediting):

	2015 HK$	2014 HK$
Auditors' remuneration	**500,000**	420,000
Amortisation of intangible assets (included in cost of sales)	**1,613,158**	375,441
Depreciation of property, plant and equipment	**1,377,650**	629,472
Operating lease payments in respect of rented premises	**4,354,584**	3,041,080
Employee benefits expense (note):		
Salaries and other benefits	**28,757,344**	22,145,839
Contributions to retirement benefits scheme	**848,617**	762,423
Total employee benefits expense, including directors' emoluments (note 14)	**29,605,961**	22,908,262
Less: Amounts capitalised in development costs	**(1,539,891)**	(2,822,786)
	28,066,070	20,085,476

Note:

During the year ended 31 December 2015, total employee benefits expense amounting to HK$7,777,995 (2014: HK$6,407,303) was included in cost of sales and amounting to HK$20,288,075 (2014: HK$13,678,173) was included in administrative expenses.

14. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the Directors of the Company were as follows:

	Fees HK$	Salaries, allowance and other benefits in kind HK$	Discretionary bonus HK$	Contributions to retirement benefits scheme HK$	Total HK$
Year ended 31 December 2015					
Executive directors					
Mr. Li Hoi Kong	–	1,512,000	660,000	18,000	2,190,000
Mr. Lawrence Tang[1]	–	816,000	200,000	18,000	1,034,000
Non-executive director					
Mr. Chan Sek Keung, Ringo	264,000	–	–	–	264,000
Independent non-executive directors					
Mr. Chan Yee Por, Simon[2]	15,452	–	–	–	15,452
Mr. Cheng Wen[3]	31,452	–	–	–	31,452
Mr. Lam Kai Yeung[4]	31,167	–	–	–	31,167
Ms. Lee Kwun Ling, May Jean	60,000	–	–	–	60,000
Mr. Tai Man Hin, Tony[5]	20,806	–	–	–	20,806
Mr. Yuen Shiu Wai	60,000	–	–	–	60,000
	482,877	2,328,000	860,000	36,000	3,706,877

14. DIRECTORS' EMOLUMENTS (continued)

The emoluments paid or payable to each of the Directors of the Company were as follows: (continued)

	Fees	Salaries, allowance and other benefits in kind	Discretionary bonus	Contributions to retirement benefits scheme	Total
	HK$	HK$	HK$	HK$	HK$
Year ended 31 December 2014					
Executive directors					
Mr. Li Hoi Kong	–	1,440,000	480,000	16,750	1,936,750
Mr. Lai Wai Ho, Samson[6]	–	53,677	–	1,250	54,927
Mr. Lawrence Tang[1]	–	719,193	503,000	15,621	1,237,814
Non-executive director					
Mr. Chan Sek Keung, Ringo	264,000	–	–	–	264,000
Independent non-executive directors					
Ms. Lee Kwun Ling, May Jean	60,000	–	–	–	60,000
Mr. Tai Man Hin, Tony[5]	60,000	–	–	–	60,000
Mr. Yuen Shiu Wai	60,000	–	–	–	60,000
	444,000	2,212,870	983,000	33,621	3,673,491

1 Mr. Lawrence Tang was appointed on 29 January 2014
2 Mr. Chan Yee Por, Simon was appointed on 23 March 2015 and resigned on 24 June 2015
3 Mr. Cheng Wen was appointed on 23 March 2015 and resigned on 30 September 2015
4 Mr. Lam Kai Yeung was appointed on 24 June 2015
5 Mr. Tai Man Hin, Tony retired on 5 May 2015
6 Mr. Lai Wai Ho, Samson resigned on 21 January 2014

During the years ended 31 December 2015 and 2014, no chief executive officer of the Company has been appointed and accordingly no emolument was paid to the chief executive officer of the Company.

None of the Directors of the Company has waived any emoluments for the year ended 31 December 2015 (2014: Nil).

15. EMPLOYEES' EMOLUMENTS

The five individuals with the highest emoluments in the Group are as follows:

	2015 Number of individuals	2014 Number of individuals
Directors	**2**	2
Non-director individuals	**3**	3
Five highest paid individuals	**5**	5

Details of emoluments paid to the two (2014: two) highest paid individuals who were Directors of the Company during the year have been included in note 14. Details of emoluments paid to the remaining three (2014: three) non-director individuals are as follows:

	2015 HK$	2014 HK$
Salaries and other benefits	**2,795,467**	2,189,182
Discretionary bonus	**229,598**	69,333
Contributions to retirement benefits scheme	**54,000**	50,250
	3,079,065	2,308,765

The number of highest paid non-director individuals whose remuneration fell within the following bands is as follows:

	2015 Number of individuals	2014 Number of individuals
Nil to HK$1,000,000	**1**	3
HK$1,000,001 to HK$1,500,000	**2**	–
	3	3

During the year ended 31 December 2015, no emoluments were paid by the Group to any of the Company's Directors or the five highest paid individuals of the Group (including Directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office (2014: Nil).

16. DIVIDEND

No dividend was paid or proposed for the years ended 31 December 2015 and 2014, nor has any dividend been proposed since the end of the reporting period.

17. EARNINGS/(LOSS) PER SHARE

	2015 **HK$**	2014 HK$
Earnings/(loss)		
Profit/(loss) for the year attributable to owners of the Company for the purpose of basic earnings/(loss) per share	**(15,895,576)**	11,318,955

	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	**4,000,000,000**	4,000,000,000

The weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share for the years ended 31 December 2015 and 2014 was derived from 4,000,000,000 shares in issue during the years ended 31 December 2015 and 2014, assuming the 2014 Share Subdivision and the 2015 Share Subdivision (as defined in note 30 to these consolidated financial statements) were conducted on 1 January 2014.

The diluted earnings/(loss) per share is equal to the basic earnings/(loss) per share as there were no dilutive potential ordinary shares in issue during the years ended 31 December 2015 and 2014.

18. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment and software HK$	Furniture and fixtures HK$	Leasehold improvements HK$	Total HK$
Cost				
Balance at 1 January 2014	14,029,934	185,694	610,010	14,825,638
Additions	1,532,723	293,722	697,932	2,524,377
Acquisition of a subsidiary	102,301	–	129,133	231,434
Disposals	–	(6,000)	(116,683)	(122,683)
Balance at 31 December 2014	15,664,958	473,416	1,320,392	17,458,766
Additions	1,082,122	211,945	403,830	1,697,897
Acquisition of a subsidiary (note 33)	292,943	–	–	292,943
Disposals	(75,005)	–	(24,000)	(99,005)
Disposal of a subsidiary (note 34)	(221,442)	(134,928)	(185,588)	(541,958)
Balance at 31 December 2015	**16,743,576**	**550,433**	**1,514,634**	**18,808,643**
Accumulated depreciation and impairment				
Balance at 1 January 2014	13,258,653	170,172	610,010	14,038,835
Depreciation expense	520,697	28,811	79,964	629,472
Eliminated on disposals	–	(700)	(2,259)	(2,959)
Balance at 31 December 2014	13,779,350	198,283	687,715	14,665,348
Depreciation expense	858,547	140,541	378,562	1,377,650
Eliminated on disposals	(29,051)	–	(3,333)	(32,384)
Disposal of a subsidiary (note 34)	(20,011)	(33,186)	(69,266)	(122,463)
Balance at 31 December 2015	**14,588,835**	**305,638**	**993,678**	**15,888,151**
Carrying amounts				
Balance at 31 December 2015	**2,154,741**	**244,795**	**520,956**	**2,920,492**
Balance at 31 December 2014	1,885,608	275,133	632,677	2,793,418

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

Computer equipment and software:	20% to 50%
Furniture and fixtures:	$33\frac{1}{3}$%
Leasehold improvements:	Over the lease terms

19. GOODWILL

	HK$
Cost	
Balance at 1 January 2014	917,976
Acquisition of a subsidiary (note 33)	752,032
Balance at 31 December 2014	1,670,008
Acquisition of a subsidiary (note 33)	955,002
Balance at 31 December 2015	**2,625,010**
Accumulated impairment loss	
Balance at 1 January 2014 and 31 December 2014	–
Impairment loss recognised during the year	752,032
Balance at 31 December 2015	**752,032**
Carrying amounts	
Balance at 31 December 2015	**1,872,978**
Balance at 31 December 2014	1,670,008

Impairment testing on goodwill

Goodwill acquired through business combinations has been allocated to the following cash-generating units (“CGU”):

- Referral business;
- Other internet financial platforms business; and
- Property management and property agency services business.

The carrying amount of goodwill allocated to each of CGU is as follows:

	2015 HK$	2014 HK$
Referral business	**917,976**	917,976
Other internet financial platforms business	**–**	752,032
Property management and property agency services business	**955,002**	–
	1,872,978	1,670,008

19. GOODWILL (continued)

Impairment testing on goodwill (continued)

Referral business

In the opinion of the Directors, the recoverable amount of the referral business's CGU exceed the carrying amount and accordingly there was no impairment of goodwill allocated to the referral business's CGU as at 31 December 2015.

For the year ended 31 December 2014, the recoverable amount of the referral business's CGU was determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the management covering a five-year period, and a pre-tax discount rate of 10.0% per annum. The discount rate used reflects the risks specific to the CGU. The cash flows beyond that five-year period were extrapolated using a steady growth rate of 4.50% per annum which was based on the management's expectation of growth in revenue. The key assumptions for the value-in-use calculation were those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which were determined by the management based on past performance and the management's expectations for the market development.

As at 31 December 2014, the Directors were of the view that, based on their assessment, there was no impairment of goodwill allocated to the referral business's CGU. In the opinion of the Directors, any reasonable possible change in any of the key assumptions on which the recoverable amount was based would not cause the carrying amount of the referral business's CGU to exceed the recoverable amount of the referral business's CGU.

Other internet financial platforms business

The recoverable amount of the other internet financial platforms business's CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the management covering 12-month period (2014: five-year period), and a pre-tax discount rate of 13.50% (2014: 11.00%) per annum. The discount rate used reflects the risks specific to the CGU. For the year ended 31 December 2014, the cash flows beyond that five-year period are extrapolated using a steady growth rate of 4.50% per annum which was based on the management's expectation of growth in revenue. The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by management based on past performance and the managements' expectations for the market development.

Based on value-in-use calculation as at 31 December 2015, the recoverable amount of this CGU was found to be less than its carrying amount. Accordingly, impairment loss on goodwill allocated to this CGU of HK$752,032 (2014: Nil) has been recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015.

As at 31 December 2014, the Directors were of the view that, based on their assessment, there was no impairment of goodwill allocated to the other internet financial platforms business's CGU. In the opinion of the Directors, any reasonable possible change in any of the key assumptions on which the recoverable amount was based would not cause the carrying amount of the provision of other internet financial platforms business's CGU to exceed the recoverable amount of the provision of other internet financial platforms business's CGU.

Property management and property agency services business

The recoverable amount of the property management and property agency services business's CGU is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the management covering a 18-month period, and a pre-tax discount rate of 15.00% per annum. The discount rate used reflects the risks specific to the CGU. The key assumptions for the value-in-use calculation are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by the management based on past performance and the managements' expectations for the market development.

19. GOODWILL (continued)

Impairment testing on goodwill (continued)

Property management and property agency services business (continued)

The Directors are of the view that, based on their assessment, there was no impairment of goodwill allocated to the property management and property agency services business's CGU as at 31 December 2015.

In the opinion of the Directors, any reasonable possible change in any of the key assumptions would not cause the carrying amount of the provision of property management and property agency services business's CGU to exceed the recoverable amount of the provision of property management and property agency services business's CGU.

20. INTANGIBLE ASSETS

	Systems development costs* HK$	Property agency service contracts# HK$	Total HK$
Cost			
Balance at 1 January 2014	2,918,086	–	2,918,086
Additions from internal developments	3,202,786	–	3,202,786
Balance at 31 December 2014	6,120,872	–	6,120,872
Additions from internal developments	1,589,891	–	1,589,891
Acquisition of a subsidiary (note 33)	–	2,932,000	2,932,000
Balance at 31 December 2015	**7,710,763**	**2,932,000**	**10,642,763**
Accumulated amortisation			
Balance at 1 January 2014	–	–	–
Amortisation expense	375,441	–	375,441
Balance at 31 December 2014	375,441	–	375,441
Amortisation expense	1,613,158	–	1,613,158
Balance at 31 December 2015	**1,988,599**	**–**	**1,988,599**
Carrying amounts			
Balance at 31 December 2015	**5,722,164**	**2,932,000**	**8,654,164**
Balance at 31 December 2014	5,745,431	–	5,745,431

* The balance was included in non-current assets

\# The balance was included in current assets

20. INTANGIBLE ASSETS (continued)

Intangible assets of internally generated development costs represented all direct costs incurred in the development of new software systems. The software development costs are amortised on a straight-line basis over their estimated useful lives of 4 years.

Intangible assets of property agency service contracts represented expected revenue generated from engaged property agency service contracts at the date of acquisition. The amortisation of property agency service contracts is provided at the time when the property agency fee is recognised as revenue in profit or loss. The property agency contracts will expire within one year after the end of the reporting period.

At 31 December 2015 and 2014, the management considers there was no impairment on intangible assets since the recoverable amounts exceed their carrying amounts.

21. INVESTMENTS IN ASSOCIATES

	2015	2014
	HK$	HK$
Cost of unlisted investment in an associate	**19,987,000**	3,000
Share of post-acquisition losses and other comprehensive loss, net of dividends received	**(124,861)**	(3,000)
	19,862,139	–

Particulars of the Group's associates at the end of the reporting period are as follows:

Name of entity	**Place of incorporation/ operation**	**Issued and fully paid up share capital**	**Proportion ownership interest held by the Group 2015**	2014	**Principal activities**
Four Directions Investment Limited ("FDIL") (note (i))	BVI	US$10,000	27.75% (indirect)	–	Investment holding of subsidiaries which are principally engaged in the provision of information technology and smartphone application development and the development of information technology applications
JunBridge Company Limited	Hong Kong	HK$10,000	–	30% (indirect)	Inactive

The Group's associates are accounted for using the equity method in these consolidated financial statements.

21. INVESTMENTS IN ASSOCIATES (continued)

Notes:

(i) On 11 December 2015, DSE Cayman Limited ("DSE", a company incorporated in the Cayman Islands), a 92.5% owned subsidiary of the Group, entered into the subscription and share purchase agreement ("FDIL Agreement") with Four Directions Holdings Limited (an independent third party and as a vendor), to subscribe and acquire an aggregated 30% of the enlarged issued share capital of FDIL.

The consideration for the subscription shares, 20% of the enlarged issued share capital of FDIL is HK$13,324,667, among which HK$6,662,333 had been paid by DSE during the year ended 31 December 2015 and the remaining HK$6,662,334 will be settled 60 business days after the completion date. At 31 December 2015, the consideration payable of HK$6,662,334 was included in trade and other payables and accruals (note 27) in the consolidated statement of financial position.

The consideration for the acquisition of sales shares, 10% of the enlarged issued share capital of FDIL from the vendor, is HK$6,662,333, in which HK$3,331,167 was settled by the Group on the completion date (i.e. 17 December 2015) and the fair value of contingent consideration payable of HK$3,331,166 included in contingent consideration payable in the consolidated statement of financial position.

The contingent consideration payable is the amount of which depended on the FDIL's 2016 Net Profit (as defined in the FDIL Agreement) less or more than HK$9,726,917, and shall be payable within 10 business days of the date of receipt of the audited consolidated financial statements of FDIL for its financial year ending 31 March 2016. The guarantors and the vendor guarantee to the Group that the 2016 Net Profit and 2016-2017 Aggregate Net Profit (as defined in the FDIL Agreement) shall be less than HK$9,726,917 and HK$23,451,196 respectively, the guarantors and the vendor shall pay to the Group a 2016 Refund and 2017 Refund (as defined in the FDIL Agreement) respectively in cash. In the event that the Group has received the 2016 Refund and the 2016-2017 Aggregate Net Profit has exceeded HK$23,451,196, the vendor shall be entitled to a Seller Cash Refund (as defined in the FDIL Agreement). The fair values of the 2016 Refund, 2017 Refund and Seller Cash Refund on initial recognition and as of 31 December 2015 were insignificant and calculated based on discounted cash flow analysis of FDIL's forecast financial budgets by reference to valuations performed by independent qualified valuers. The fair values of the contingent consideration payable on initial recognition and as of 31 December 2015 were HK$3,331,166 and is under Level 3 fair value measurement.

In addition, the Group was granted an option to (i) further acquire 10% of the issued share capital of FDIL ("10% Option Shares") from the vendor during the period from the completion date up to and including 30 June 2017 at a consideration of HK$11,100,000; and (ii) acquire such number of shares in 4 Play Studio Limited, owned by the vendor (up to a maximum of 30% of the total issued share capital of 4 Play Studio Limited ("4 Play Option Shares")) during the period from the completion date up to and including 30 June 2017 at a consideration subject to maximum cap of HK$15,000,000. The fair value of the 10% Option Shares and 4 Play Option Shares on initial recognition and as of 31 December 2015 were insignificant and calculated based on Binomial Model by reference to a valuation performed by independent qualified valuers.

(ii) During the year ended 31 December 2014, the Group entered into the shareholders agreement with two independent third parties to jointly invest in Gavottes International Limited, a company incorporated in the BVI, and subscribed for 30% of the issued share capital of Gavottes International Limited. In December 2014, Gavottes International Limited was dissolved and the Group shared a loss of HK$4,098 during the period and realised a loss on dissolution of an associate of HK$6,830 for the year ended 31 December 2014, and included in the other gains and losses (note 10) in the consolidated statement of profit or loss and other comprehensive income.

21. INVESTMENTS IN ASSOCIATES (continued)

The following table illustrates the summarised consolidated financial information in respect of FDIL and its subsidiaries:

	2015 HK$
Current assets	**25,516,890**
Non-current assets, excluding goodwill	**4,289,338**
Current liabilities	**(8,268,662)**
Net assets	**21,537,566**
Reconciliation to the Group's interest in the associate:	
Proportion of the Group's effective interest	**30%**
Group's share of net assets of the associate, excluding goodwill	**6,461,269**
Goodwill on acquisition	**13,400,870**
From the date of acquisition to the end of the reporting period:	
Revenue for the period	**1,300,486**
Loss for the period	**(416,202)**
Total comprehensive loss for the period	**(416,202)**

The above associate has a financial year ending 31 March. The consolidated financial statements are adjusted for the material transactions between associate and group companies between 1 January and 31 March.

21. INVESTMENTS IN ASSOCIATES (continued)

Summarised financial information in respect of the Group's associate that was not individually material as at 31 December 2014 are set out below:

	2014 HK$
The Group's share of losses	(1,557)
The Group's share of other comprehensive income	–
The Group's share of total comprehensive loss	(1,557)

Unrecognised share of loss of an associate:

	2014 HK$
The unrecognised share of loss of an associate for the year	200
Cumulative share of loss of an associate	200

22. AVAILABLE-FOR-SALE INVESTMENTS

	2015 HK$	2014 HK$
Unlisted fund investments, at cost	**20,500,000**	–

The unlisted fund investments represent investments in private equity funds which incorporated in the Cayman Islands. The unlisted fund investments are held for an identified long term strategic purpose so the Group does not intend to dispose them in the foreseeable future. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimate is so significant that the Directors of the Company are of the opinion that fair values cannot be measured reliably.

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2015	2014
	HK$	HK$
Trade receivables	**9,815,867**	11,631,467
Interest receivables from money lending business	**298,285**	–
	10,114,152	11,631,467
Allowance for doubtful debts	**–**	–
	10,114,152	11,631,467
Other receivables	**38,413**	82,708
Deposits and prepayments	**3,665,121**	2,262,650
	13,817,686	13,976,825

The following is an analysis of trade receivables by age, presented based on the invoice date and net of allowance for doubtful debts, at the end of the reporting period:

	2015	2014
	HK$	HK$
0 – 30 days	**8,106,548**	9,075,172
31 – 60 days	**1,591,230**	1,434,205
61 – 90 days	**118,089**	790,852
91 – 120 days	**–**	168,638
Over 120 days	**–**	162,600
Total	**9,815,867**	11,631,467

The Group generally allows an average credit period of 7 days or not more than 30 days to its trade receivables customers and based on the negotiations between the Group and individual customers. No interest is charged on trade receivables.

Trade receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Age of trade receivables that are past due but not impaired

	2015	2014
	HK$	HK$
Overdue by:		
1 – 30 days	**3,179,580**	1,434,205
31 – 60 days	**219,138**	790,852
61 – 90 days	**59,602**	168,638
Over 90 days	**–**	162,600
Total	**3,458,320**	2,556,295

Movement in the allowance for doubtful debts

	2015	2014
	HK$	HK$
Balance at the beginning of year	**–**	–
Impairment loss recognised on trade receivables	**307,400**	165,000
Amounts written off during the year as uncollectible	**(307,400)**	(165,000)
Balance at the end of year	**–**	–

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. The Group has assessed the credit quality of the trade receivables by using internal assessment, taking into account the repayment history and financial background of the trade customers. The concentration of credit risk is limited due to the customer base being large and unrelated.

23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (continued)

Interest receivables from money lending business

A maturity profile of the interest receivables as at the end of the reporting period, based on the remaining contractual maturity date and net of allowance for doubtful debts is as follows:

	2015	2014
	HK$	HK$
Due within 3 months	**288,312**	–
Due after 3 months but within 6 months	**–**	–
Due after 6 months but within 12 months	**9,973**	–
Total	**298,285**	–

The interest receivables arising from money lending business are neither past due nor impaired.

24. LOANS RECEIVABLE

	2015	2014
	HK$	HK$
Loans receivable from money lending business	**26,200,000**	4,000,000

The Group seeks to maintain strict control over its outstanding loans receivable so as to minimise credit risk. The granting of loans is subject to approval by the management, whilst overdue balances are reviewed regularly for recoverability.

As at 31 December 2015, the loans receivable are unsecured, charging on interest rates ranging from 8% to 10% per annum and are repayable with fixed terms agreed with the contracting parties.

As at 31 December 2014, the loan receivable was charging on interest rate mutually agreed with the contracting party at 8.5% per annum, secured by a guarantee given by the borrower's holding company and was entered with the contractual maturity within 6 months.

24. LOANS RECEIVABLE (continued)

A maturity profile of the loans receivable as at the end of the reporting period, based on the remaining contractual maturity date is as follows:

	2015 **HK$**	2014 HK$
Due within 3 months	**25,700,000**	–
Due after 3 months but within 6 months	**–**	4,000,000
Due after 6 months but within 12 months	**500,000**	–
Total	**26,200,000**	4,000,000

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 **HK$**	2014 HK$
Financial assets held for trading		
– Equity securities listed in Hong Kong (note (i))	**9,772,200**	9,265,212
Financial assets designated as at fair value through profit or loss		
– Convertible bond (note (ii))	**2,899,540**	–
	12,671,740	9,265,212

Notes:

(i) The fair values of the equity securities held for trading were determined based on the quoted market prices in an active market.

(ii) As at 31 December 2015, the fair value of the convertible bond, a three-year zero coupon rate with principal amount of HK$2,500,000, had been determined based on the valuation performed by independent qualified valuers. The debt component was calculated using a discounted cash flow analysis and the conversion option component was calculated using the Binomial Model. A gain on fair value change of HK$399,540 was recognised in profit or loss.

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash held by the Group, deposits placed with securities brokers and short-term bank deposits with an original maturity of three months or less which carry interest at market rates ranging from 0.01% to 0.90% (2014: 0.01% to 1.10%) per annum.

27. TRADE AND OTHER PAYABLES AND ACCRUALS

	2015 **HK$**	2014 HK$
Trade payable	**–**	400,000
Receipts in advance	**9,967,127**	9,719,278
Customers deposit	**7,222,360**	5,118,330
Consideration payable	**6,662,334**	–
Other payables and accruals	**7,638,146**	5,264,857
	31,489,967	20,502,465

The following is an analysis of trade payable by age, presented based on the invoice date, at the end of the reporting period:

	2015 **HK$**	2014 HK$
31 – 60 days	**–**	400,000

28. LOAN NOTES

	2015 HK$	2014 HK$
Loan notes – unsecured	**99,957,082**	–

On 18 May 2015, the Company issued 10% unsubordinated and unsecured notes due in 2017 (the "Loan Notes") in the aggregate principal amount of HK$100,300,000. The Loan Notes carried an interest of 10% per annum payable quarterly in arrears.

The Company and the noteholders may at its option redeem the Loan Notes, in whole or any part thereof outstanding on a business day which must be a day after the first anniversary of the date issue of the Loan Notes and before the maturity date. On the redemption date, the Company shall pay to such noteholder the principal amount of the Loan Notes to be redeemed plus all accrued and unpaid interest on the principal amount of the Loan Notes to be redeemed. The effective interest rate for the year ended 31 December 2015 was 14.32% per annum. The balance is included in current liabilities in view of its early redemption terms.

29. DEFERRED TAXATION

The movement of deferred tax liabilities during the year are as follows:

Deferred tax liabilities

	Intangible assets HK$	Accelerated tax depreciation HK$	Total HK$
At 1 January 2014	481,484	70,340	551,824
Charged to profit or loss	466,512	24,560	491,072
At 31 December 2014	947,996	94,900	1,042,896
Credited to profit or loss	(3,839)	(29,735)	(33,574)
Acquisition of a subsidiary (note 33)	483,780	–	483,780
At 31 December 2015	**1,427,937**	**65,165**	**1,493,102**

At the end of the reporting period, the Group has estimated unused tax losses of approximately HK$22,792,000 (2014: approximately HK$4,784,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available for offset against future taxable profits of the companies in which the losses arose. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams.

30. SHARE CAPITAL

	Number of shares	Share capital HK$
Authorised:		
At 1 January 2014, ordinary shares of HK$0.01 each	1,000,000,000	10,000,000
2014 Share Subdivision (note (i))	9,000,000,000	–
At 31 December 2014, ordinary shares of HK$0.001 each	10,000,000,000	10,000,000
2015 Share Subdivision (note (ii))	10,000,000,000	–
At 31 December 2015, ordinary shares of HK$0.0005 each	**20,000,000,000**	**10,000,000**
Issued and fully paid:		
At 1 January 2014, ordinary shares of HK$0.01 each	200,000,000	2,000,000
2014 Share Subdivision (note (i))	1,800,000,000	–
At 31 December 2014, ordinary shares of HK$0.001 each	2,000,000,000	2,000,000
2015 Share Subdivision (note (ii))	2,000,000,000	–
At 31 December 2015, ordinary shares of HK$0.0005 each	**4,000,000,000**	**2,000,000**

Notes:

(i) Pursuant to the ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 30 April 2014, a share subdivision was approved with effect from 2 May 2014 in which every one (1) issued and unissued ordinary share of HK$0.01 each in the share capital of the Company were subdivided into ten (10) subdivided shares having a par value of HK$0.001 per subdivided share (the "2014 Share Subdivision"). Immediately after the 2014 Share Subdivision, the authorised share capital of the Company of HK$10,000,000 was divided into 10,000,000,000 subdivided shares, of which 2,000,000,000 subdivided shares were issued and fully paid.

(ii) Pursuant to the ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 16 February 2015, a share subdivision was approved with effect from 17 February 2015 in which every one (1) issued and unissued ordinary share of HK$0.001 each in the share capital of the Company were subdivided into two (2) subdivided shares having a par value of HK$0.0005 per subdivided share (the "2015 Share Subdivision"). Immediately after the 2015 Share Subdivision, the authorised share capital of the Company of HK$10,000,000 was divided into 20,000,000,000 subdivided shares, of which 4,000,000,000 subdivided shares were issued and fully paid.

31. SHARE OPTION SCHEME

The Company's share option scheme ("Scheme") was adopted pursuant to a resolution passed on 10 September 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme.

Under the Scheme, the Directors of the Company may at their absolute discretion and subject to the terms of the Scheme, grant options to any employees (full-time or part-time), directors, consultants or advisors of the Group, or any substantial shareholders of the Group, or any distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group, to subscribe for shares of the Company. The eligibility of any participants to the grant of any options shall be determined by the Directors from time to time on the basis of the Directors' opinion as to their contribution or potential contribution to the development and growth of the Group.

Under the Scheme, the maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. Subject to the approval of the Company's shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme in any 12-month period up to and including the date of grant must not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee). Where any share options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates would result in the total number of shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) under the Scheme and any other share option schemes of the Company to such person in any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares of the Company in issue and having an aggregate value in excess of HK$5 million, such grant must be approved in advance by the Company's shareholders.

31. SHARE OPTION SCHEME (continued)

The offer of a grant of share options might be accepted in writing within 7 days inclusive of the date of the offer. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Directors may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof. A nominal consideration of HK$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer (which shall not be later than 7 days from the date of the offer).

The subscription price shall be a price solely determined by the Directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the date of grant of the option.

The Scheme shall be valid and effective for a period of ten years commencing on 10 September 2013 and expiring on the business day immediately preceding the 10th anniversary thereof i.e. 8 September 2023, subject to early termination provisions contained in the Scheme.

No share option was granted since the adoption of the Scheme and there was no share option outstanding as at 31 December 2015 and 2014.

32. RESERVES

(a) Share premium

Share premium arose from the issue of shares at a price greater than the par value of the shares and can be utilised for future bonus issue.

(b) Merger reserve

Merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation to rationalise the group structure in preparation for the listing on 28 August 2013 (the "Reorganisation").

33. ACQUISITION OF A SUBSIDIARY

Year ended 31 December 2015

On 30 December 2015, the Group acquired the entire equity interest of Full Profit Property Services Company Limited ("Full Profit") at a cash consideration of HK$6,000,000.

The fair values of the identifiable assets and liabilities of Full Profit as at the date of acquisition were as follows:

	HK$
Property, plant and equipment	**292,943**
Intangible assets	**2,932,000**
Trade receivables	**1,969,252**
Deposits and prepayments	**139,107**
Cash and bank balances	**795,419**
Other payable and accruals	**(599,943)**
Deferred tax liabilities	**(483,780)**
Total identifiable net assets at fair value	**5,044,998**
Goodwill on acquisition (note 19)	**955,002**
Satisfied by cash	**6,000,000**

An analysis of the cash flows in respect of the acquisition of Full Profit is as follows:

	HK$
Cash consideration	**6,000,000**
Cash and bank balances acquired	**(795,419)**
Net outflow of cash and cash equivalents included in cash flows from investing activities	**5,204,581**

The fair values of trade receivables as at the date of acquisition amounted to HK$1,969,252 approximated the gross contractual amounts. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

Acquisition-related costs amounting to HK$133,210 have been excluded from the consideration transferred and have been recognised as an expense within the administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015.

Goodwill arose in the acquisition of Full Profit was attributable to the anticipated profitability and future development of Full Profit in the property management and property agency services business and the anticipated future operating synergy from the business combination. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

33. ACQUISITION OF A SUBSIDIARY (continued)

Year ended 31 December 2015 (continued)

Since the acquisition date, no revenue and profit after tax were contributed by Full Profit to the Group for the year ended 31 December 2015. Had the business combination taken place at 1 January 2015, the revenue of the Group and the loss of the Group for the year would have been approximately HK$54,068,000 and HK$11,989,000 respectively. The Directors of the Company consider this "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

Year ended 31 December 2014

On 22 August 2014, the Group acquired the entire equity interest of Well In Technology Development Limited (the "Well In") at a cash consideration of HK$1,221,000.

The fair values of the identifiable assets and liabilities of Well In as at the date of acquisition were as follows:

	HK$
Property, plant and equipment	231,434
Deposits	277,312
Cash and bank balances	21,782
Other payables	(61,560)
Total identifiable net assets at fair value	468,968
Goodwill on acquisition	752,032
Satisfied by cash	1,221,000

An analysis of the cash flows in respect of the acquisition of Well In is as follows:

	HK$
Cash consideration	1,221,000
Cash and bank balances acquired	(21,782)
Net outflow of cash and cash equivalents included in cash flows from investing activities	1,199,218

The fair value of deposits acquired approximated the gross contractual amounts. None of them have been impaired and it is expected that the full contractual amounts can be collected.

Acquisition-related costs amounting to HK$22,747 have been excluded from the consideration transferred and have been recognised as an expense within the administrative expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014.

Goodwill arose in the acquisition of Well In was attributable to the anticipated profitability and future development of Well In in the provision of other internet financial platforms business and the anticipated future operating synergy from the business combination. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

33. ACQUISITION OF A SUBSIDIARY (continued)

Year ended 31 December 2014 (continued)

Well In contributed revenue of HK$160,000 and net loss of HK$1,370,969 to the Group for the year ended 31 December 2014. Had the business combination taken place at 1 January 2014, the revenue of the Group and the profit of the Group for the year would have been approximately HK$51,654,000 and HK$10,694,000 respectively. The Directors of the Company consider this "pro-forma" numbers to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

34. DISPOSAL OF A SUBSIDIARY

On 19 November 2015, the Group disposed of the entire equity interest of Zeed Asia Technology Limited ("Zeed Asia") at a cash consideration of HK$3,200,000.

	HK$
Net assets disposed of:	
Property, plant and equipment	**419,495**
Deposits and prepayments	**1,628,457**
Cash and bank balances	**5,658**
Accruals	**(416,330)**
	1,637,280
Gain on disposal of a subsidiary	**1,562,720**
	3,200,000

	HK$
Satisfied by cash	**3,200,000**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of Zeed Asia is as follows:

	HK$
Cash consideration	**3,200,000**
Cash and bank balances disposed of	**(5,658)**
Net inflow of cash and cash equivalents in respect of the disposal of a subsidiary	**3,194,342**

35. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group in funds under the control of trustees. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at specified rate and capped at HK$1,500 (HK$1,250 prior to 1 June 2014) per month per person. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The total contributions payable to the MPF Scheme by the Group amounted to HK$848,617 for the year ended 31 December 2015 (2014: HK$762,423). Amounts of HK$60,421 (2014: HK$112,137) were capitalised in development costs and the remaining HK$788,196 (2014: HK$650,286) were recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015.

36. OPERATING LEASE COMMITMENTS

The Group leases its office premises under operating lease arrangements. Leases for office premises are negotiated for terms ranging from one to three years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2015 **HK$**	2014 HK$
Within one year	**3,688,245**	4,281,268
In the second to fifth years inclusive	**899,984**	4,334,077
	4,588,229	8,615,345

37. SIGNIFICANT RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following significant related party transactions during the years ended 31 December 2015 and 2014:

Compensation of key management personnel of the Group

	2015 **HK$**	2014 HK$
Salaries and short-term employee benefits	**3,670,877**	3,639,870
Post-employment benefits	**36,000**	33,621
	3,706,877	3,673,491

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2015 HK$	2014 HK$
Non-current assets		
Investments in subsidiaries	**20,939,001**	20,939,001
Current assets		
Prepayments	**280,807**	260,320
Amounts due from subsidiaries	**129,739,312**	38,444,563
Current tax assets	**59,901**	–
Cash and cash equivalents	**61,716**	162,899
Total current assets	**130,141,736**	38,867,782
Current liabilities		
Other payables	**540,554**	41,673
Amounts due to subsidiaries	**12,214,711**	12,214,711
Loan notes	**99,957,082**	–
Total current liabilities	**112,712,347**	12,256,384
Net current assets	**17,429,389**	26,611,398
Net assets	**38,368,390**	47,550,399
Capital and reserves		
Equity attributable to owners of the Company		
Share capital	**2,000,000**	2,000,000
Reserves (note)	**36,368,390**	45,550,399
Total equity	**38,368,390**	47,550,399

The Company's statement of financial position was approved and authorised for issue by the Board on 17 March 2016 and signed on its behalf by:

Li Hoi Kong
Director

Lawrence Tang
Director

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows

	Share premium HK$ (note (i))	Special reserve HK$ (note (ii))	Accumulated losses HK$	Total HK$
At 1 January 2014	34,609,605	20,938,121	(10,067,322)	45,480,404
Profit and total comprehensive income for the year	–	–	69,995	69,995
At 31 December 2014	34,609,605	20,938,121	(9,997,327)	45,550,399
Loss and total comprehensive loss for the year	–	–	(9,182,009)	(9,182,009)
At 31 December 2015	**34,609,605**	**20,938,121**	**(19,179,336)**	**36,368,390**

Note(i): Share premium arose from the issue of shares at a price greater than the par value of the shares and can be utilised for future bonus issue.

Note(ii): Special reserve represents the difference between of the fair value of the shares of Infinite Capital Ventures Limited acquired pursuant to the Reorganisation, over the previous nominal value of the Company's shares issued in exchange therefore.

39. COMPARATIVE AMOUNTS

Certain comparative amounts have been restated to conform with the current year's presentation. The Directors consider that such restatements allow a more appropriate presentation of the Company's state of affairs and/or better reflect the nature of the transactions/balances.

40. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in these financial statements, the following significant events of the Group occurred after the end of the reporting period:

(i) Disposal of ChinaQFii Company Limited

On 25 January 2016, the Group entered into a sale and purchase agreement with an independent third party to dispose of its entire 95% issued share capital of ChinaQFii Company Limited, a company incorporated in Hong Kong with limited liability, at a consideration of HK$2,400,000.

(ii) Placing of new shares under general mandate

On 14 January 2016, the Company and Convoy Securities Limited (a placing agent) entered into a conditional placing agreement ("Placing Agreement"), pursuant to which the Company had conditionally agreed to place through the placing agent, on a best effort basis, up to 800,000,000 new ordinary shares of par value of HK$0.0005 each in the share capital of the Company ("Placing Shares"), to not less than six placees who and whose ultimate beneficial owners are third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates, at a price of HK$0.05 per Placing Share ("800M Placing"). The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the annual general meeting of the Company held on 5 May 2015. The nominal value of the Placing Shares was HK$400,000 and the net issue price was HK$0.048 per Placing Share. The closing price of the Company's share on the date of the Placing Agreement was HK$0.059 per Share.

40. EVENTS AFTER THE REPORTING PERIOD (continued)

(ii) Placing of new shares under general mandate (continued)

On 27 January 2016, completion of the 800M Placing took place in accordance with the terms and conditions of the Placing Agreement. Immediately after completion of the 800M Placing, an aggregate of 800,000,000 Placing Shares, representing approximately 16.7% of the issued share capital of the Company (as enlarged by the allotment and issue of the Placing Shares), have been successfully placed to not less than six placees. The Company received net proceeds of approximately HK$38,500,000 from the 800M Placing.

Details of the 800M Placing are set out in the Company's announcements dated 14 January 2016 and 27 January 2016.

(iii) Entering into of the Sky View Subscription Agreement and Rolaner Subscription Agreement

On 20 February 2016, Sky View Investment Limited ("Sky View"), Winrange Investments Limited (a wholly-owned subsidiary of the Company) and Amber Rose Holdings Limited ("Amber Rose") entered into an agreement ("Sky View Subscription Agreement") for the subscription of ordinary shares of Sky View ("Sky View Shares") by Winrange and Amber Rose respectively. Pursuant to the Sky View Subscription Agreement, Winrange and Amber Rose have agreed to subscribe for 390 Sky View Shares and 510 Sky View Shares at the subscription price of US$4,948,900 and US$5,151,000 respectively. Immediately before the signing of the Sky View Subscription Agreement, Sky View was 100%-owned by Winrange. Completion of the Sky View Subscription Agreement took place immediately after its signing and Winrange has become interested in 49% of the issued share capital of Sky View. It was the intention of Winrange and Amber Rose that Sky View would act as the holding company of their investment in Rolaner International Limited ("Rolaner") to be acquired under the Rolaner Subscription Agreement (as defined below).

After completion of the Sky View Subscription Agreement, Sky View, Rolaner, Ace Choice Ventures Limited, Legend Cosmo Consultants Limited, Mr. Ren Lingfeng, Mr. Chen Rong, 榮浪信息科技（上海）有限公司(unofficial English name being Rong Lang Information Technology (Shanghai) Co., Limited) and 羅朗網絡科技（上海）有限公司 (unofficial English name being Luo Lang Internet Technology (Shanghai) Co., Limited) entered into an agreement on 20 February 2016 ("Rolaner Subscription Agreement"), pursuant to which, among other things, Sky View shall subscribe for 22,000,000 preferred shares in the share capital of Rolaner, representing approximately 22.9% of the then enlarged share capital of Rolaner (after completion of the subscription of shares of Rolaner by Alibaba Investment Limited and assuming no shares of Rolaner have been issued pursuant to an employee share option program to be adopted by Rolaner after completion of the Rolaner Subscription Agreement) at the price of US$10,000,000. As at the date of this annual report, certain conditions precedent are yet to be fulfilled and completion of the Rolaner Subscription Agreement has not yet taken place.

Details of the above subscription agreements and transactions contemplated thereunder are set out in the Company's announcements dated 12 January 2016 and 21 February 2016.

40. EVENTS AFTER THE REPORTING PERIOD (continued)

(iv) Proposed share consolidation

On 3 March 2016, the Board proposed that every ten (10) existing shares ("Existing Shares") of HK$0.0005 each in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share ("Consolidated Share(s)") of HK$0.005 in the issued and unissued share capital of the Company. As at the date of this annual report, there were 4,800,000,000 Existing Shares of HK$0.0005 each in issue and fully paid or credited as fully paid. Assuming that no Share will be issued or repurchased from the date of this annual report up to the date of the extraordinary general meeting to be convened for the Shareholders to consider (and if thought fit) approve the proposed share consolidation, there will be 480,000,000 Consolidated Shares of HK$0.005 each in issue and fully paid or credited as fully paid immediately following the share consolidation. The share consolidation is conditional upon, among other things, the approval of the Shareholders.

Details of the proposed share consolidation are set out in the Company's announcement dated 3 March 2016.

(v) Entering into of the China Universal Acquisition Agreement

On 7 March 2016, Wise Link International Limited ("Wise Link"), an indirect wholly-owned subsidiary of the Company, and Colorful Focus Limited ("Colorful Focus") entered into a sale and purchase agreement ("China Universal Acquisition Agreement"), pursuant to which Wise Link conditionally agreed to purchase and Colorful Focus conditionally agreed to sell the entire issued shares of China Universal Limited ("China Universal") at the consideration of HK$25,900,000. The principal assets of China Universal are certain residential and retail properties in Hong Kong. The acquisition of China Universal was completed on 16 March 2016.

Details of the China Universal Acquisition Agreement are set out in the Company's announcement dated 7 March 2016.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements/Prospectus, is set out below.

RESULTS

	Year ended 31 December				
	2015	2014	2013	2012	2011
	HK$	HK$	HK$	HK$	HK$
Revenue	**46,231,563**	51,333,947	33,155,156	33,626,811	40,553,470
Cost of sales	**(13,116,558)**	(10,953,996)	(9,243,624)	(11,000,898)	(12,171,504)
Gross profit	**33,115,005**	40,379,951	23,911,532	22,625,913	28,381,966
Other income	**52,827**	218,540	66,245	482,908	1,374,127
Other gains and losses	**836,207**	(337,516)	167,493	172,540	(1,246,810)
Administrative expenses	**(38,733,455)**	(26,223,776)	(14,634,007)	(9,364,355)	(17,263,049)
Finance costs	**(8,685,355)**	–	–	–	–
Share of losses of associates	**(124,861)**	(5,655)	(1,443)	–	–
Listing expenses	**–**	–	(8,063,496)	(789,000)	–
Profit/(loss) before tax	**(13,539,632)**	14,031,544	1,446,324	13,128,006	11,246,234
Income tax expense	**(2,729,452)**	(2,712,589)	(2,017,820)	(1,908,778)	(2,069,365)
Profit/(loss) for the year	**(16,269,084)**	11,318,955	(571,496)	11,219,228	9,176,869
Profit/(loss) for the year attributable to:					
Owners of the Company	**(15,895,576)**	11,318,955	(570,290)	11,218,828	9,177,096
Non-controlling interests	**(373,508)**	–	(1,206)	400	(227)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2015	2014	2013	2012	2011
	HK$	HK$	HK$	HK$	HK$
Total assets	**184,610,305**	82,771,649	62,155,347	26,216,026	21,639,313
Total liabilities	**138,836,362**	22,505,122	13,207,775	13,305,302	16,433,413
Non-controlling interests	**1,213,884**	–	–	2,367	1,967